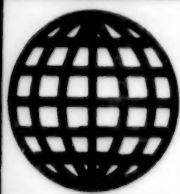


JPRS-NEA-94-027  
24 May 1994



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# ***JPRS Report***

## **Near East & South Asia**

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# Near East & South Asia

JPRS-NEA-94-027

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24 May 1994

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## ALGERIA

### Keramane Discusses Impact of IMF Accord

94AF0194A Algiers LIBERTE in French 14 Apr 94 p 4

[Excerpts from an interview with A. Keramane, governor of the Bank of Algeria, by the APS; place and date not given: "Adjustment Is First of All an Internal Necessity"—first paragraph is LIBERTE introduction]

[Text] In an interview with the APS, Mr. Keramane explained the agreement with the IMF; here are excerpts from this interview.

[APS] Mr. Governor, Algeria has just signed a new agreement with the IMF in the particular conditions that our country is experiencing. How would you describe it, especially as far as its implications for our economic and financial situation are concerned?

[Keramane] You are right to mention the particular conditions that our country is experiencing, which refer first of all to the current economic crisis—a crisis which, except for petty differences between factions, has brought about a national consensus on the need to get to the root of the problem. In other words, it is an established fact that in order to achieve a diversified modern economy, better equipped to open itself to the world, adjustment is a necessity, and would be so even if oil sold for \$30 a barrel. Adjustment is first of all an internal necessity resulting from the situation of our economy, not from any treatment imposed upon us from the outside.

This being so, because oil does not sell for \$30 and since our debt service is one of the heaviest in the world, it is useful, if not indispensable, that this adjustment should get the IMF support. Especially considering that in recent years, in the context of the new international order, the IMF has become a kingpin in international financial relations.

Our internal social problems force us to look for the most gradual transition possible, and therefore to try and avoid the shock therapy which, by the way, did not always yield the expected results in those countries that already used it. This explains why the negotiations were long and difficult.

[APS] Will the stabilization measures that Algeria is beginning to implement, with the devaluation of the national currency and credit tightening, remain in force for the entire term of the one-year agreement, or should we expect other similar adjustments to follow?

[Keramane] In a stabilization program, most if not all measures are taken at the start of the program.

We must define new economic parameters and then let economic operators, the production sector and the various agents adjust to the new context. Economic operators need stability, which is the objective of the stabilization program; therefore, we are not going to keep changing the rules of the game.

As far as the rate of exchange is concerned, 36 dinars to the dollar is a realistic rate that may provide a basis for stabilization. It represents a reasonable adjustment, which was necessary and, at the same time, is sufficient. Certainly, you might say that a 40-percent devaluation is a lot, but you should recall that, a little over two years ago, negotiations with the IMF revolved around a rate of 32 dinars to the dollar so that, taking into account inflation and the increasing financial problems we have had in the past two years, it is not excessive to have reached conclusions on the basis of 36 Algerian dinars to the dollar.

This, we believe, is how this devaluation should be judged.

As far as interest rates are concerned, they were slightly increased, precisely to support the new exchange rate level. In this case too, the objective of the stabilization program is generally to achieve positive real interest rates, i.e., a structure with interest rates higher than those of the structure we just agreed on.

The bank lending rates will be relatively stabilized, and the cost of credit to the economy should not increase appreciably. The objective is to contain inflation and achieve a reasonable underlying inflation rate rather than to systematically attempt to achieve positive real interest rates. Actually, this new interest rate structure anticipates inflation control.

In other words, the essential objective of the program is to bring inflation under control and, by the end of the year, to achieve a reduced inflation rate in line with the interest rate structure we agreed on.

Borrowing rates, for their part, will increase, and the CNEP [Algerian National Savings and Insurance Bank] also just gave the signal. This will stimulate savings and enable banks to allocate intermediate and long-term credits more efficiently.

To answer your question more bluntly, I can say that we are not contemplating any additional surprise measures. This being so, we should also not operate in a rigid context.

In such a program, you monitor the real economy, and you may have to adjust to its evolution.

[APS] What material measures are you contemplating to soften the impact of the current adjustments on the purchasing power of households?

[Keramane] The problem of the household purchasing power is linked to that of inflation control. First, we must define the inflation problem.



At times, as was the case for instance during Ramadan, there may be large price increases on some products, but the inflation picture, as reflected in the annual inflation rate, is relatively lower since, for 1993, it was estimated at about 20 percent, compared with 32 percent in 1992.

Devaluation should not translate into large price increases. You should not make the simple reasoning of transposing the devaluation percentage into price increases.

First, because many products are manufactured locally; therefore, only imported products will be directly affected by the devaluation. They will be affected somewhat later, when new inventories are brought in. Normally, current inventories should be sold without any price increase.

As far as industrially manufactured goods are considered, inflation will come into play only through imported inputs that, depending on the product, account for a varying proportion of the final product cost and, in this case too, do so with a certain lag.

Therefore, the effect of devaluation on prices should normally be moderate and staggered in time.

We should recall that the objective of bringing inflation under control is an essential objective of the stabilization program, and one that will be achieved through a whole series of measures.

This is the best way to protect the purchasing power of households. Of course, for the most underprivileged the program provides that the social safety net will not only be retained, but also improved.

[APS] What about the impact on the operation of the production plant?

[Keramane] As far as the operation of the production plant is concerned, now that the stabilization program has been adopted the essential factor is that the production sector will find it easier to import its raw materials, its spare parts, and all the things that constitute the production input.

This means, in particular, that companies will have access to cash to buy products commonly used in their production processes.

As a result, the cost of credit will be less. Perhaps some companies could even reduce their raw material inventories since they will be assured to have ready access to their supplies.

Generally speaking, therefore, these measures linked to foreign trade and import financing should have a two-fold positive effect on the production sector: reduced costs and increased operating flexibility.

[APS] The easing of restrictions on foreign trade implies commercial convertibility of the dinar; is Algeria getting close to this objective?

[Keramane] The stabilization program implies an easing of restriction on foreign trade and will provide a number of measures to that effect simultaneously with measures that the Bank of Algeria will take concerning import financing. We can say, therefore, that this program will make it possible to achieve the objective of commercial convertibility of the dinar.

[APS] Companies, both state-owned and private, might again raise the question of exchange losses?

[Keramane] This question was raised after the 1991 devaluation and, as you said, will probably be raised again. Today, however, its extent is reduced by the fact that operators were able to protect themselves against currency risks through the futures quotation system set up by the Bank of Algeria. Certainly, the problem of exchange losses is a major problem and the Algerian Government took it into account in their negotiations with the IMF.

It will be possible to set up a system to soften the impact of devaluation on the debt of state-owned and private companies. Of course, compensation will be only partial and in keeping with the nature of the economic activity considered.

[APS] Does the correction of internal financial balances, as a major stage in the structural adjustment of the economy, mean that the Bank of Algeria will follow a policy of strict financial austerity, irrespective of the priorities of economic recovery?

[Keramane] For an economy, overall financial austerity is linked to the existence, or lack, of a budget deficit, which may be big or small. As far as the budget deficit is concerned, which amounted to 9 percent of the gross domestic product in 1993, the stabilization program will make it possible to aim for a post-stabilization deficit of 5 percent in 1994. It will be further reduced in 1995. The revenue increase resulting from the devaluation and the expected effects of the rescheduling will make it possible not just to achieve the budget deficit reduction objective, but also to provide increased resources for credits to the economy.

It will therefore become possible to give the necessary importance to economic recovery without monetary laxity and without starting again to print more money. Actually, as far as monetary expansion is concerned, the program sets an objective that aims to strengthen the downward trend of money supply observed in recent years.

As you know, monetary expansion reached 24 percent in 1992 and 21 percent in 1993, whereas fiduciary money grew by 17.6 percent in 1992 and 14.3 percent in 1993, respectively.

These figures show that monetary expansion was far less in recent years than some would say, and the trend toward a reduction of these rates will continue under this program.

[APS] In addition to the billion dollars that the IMF intends to make available, what can we expect from our economic partners in terms of financial contributions?

[Keramane] We should first point out that the IMF \$1-billion contribution is particularly large for a one-year stabilization program and for a country like Algeria. It is a sizeable contribution to our balance of payments, and it is also a signal of the IMF to the international community, at multilateral (World Bank, European Community, etc.) as well as at bilateral level (with the various partner countries), and to the world's financial and banking system.

There are a number of credits in the form of [word illegible] installments that remain available with multilateral partners, and the Algerian Government will therefore endeavor to have these installments made available as soon as possible, simultaneously, with the EEC and with the World Bank as well as with other potential multilateral partners such as the Arab Monetary Fund and the African Development Bank.

We should also make contact to obtain other credits to support our balance of payments or to finance projects, as the case may be.

#### **Nahnah Interviewed on Government, GIA**

94AF0193A Algiers EL WATAN in French  
20 Apr 94 p 2

[Interview with Mahfoud Nahnah, president of Hamas (Islamic Society Movement), by M.T. Messaoudi and Zineb O.; place and date not given: "Favor Political Solution Over All-Out Security"; first paragraph is EL WATAN introduction]

[Text] Despite the dramatic situation being experienced by our country, Mahfoud Nahnah, president of Hamas [Islamic Society Movement] remains optimistic regarding a possible return to civil peace and constitutional legality, provided that "armed action is isolated from politics." In this interview granted to us, Nahnah tells us that his party has not yet stated whether it will participate in the CNT [National Transitional Council] and that it would have preferred to see the formation of the Sifi government preceded by consultation with the parties.

[EL WATAN] Mr. Mahfoud Nahnah, is your political group going to participate in the National Transitional Council?

[Nahnah] Our movement held a lengthy meeting on that subject last Thursday, and several opinions were expressed. Some were opposed to the movement's participation in the CNT, while others, on the other hand, were in favor of it.

Personally, I think that if the CNT is going to be like the old National Advisory Council, which has no prerogatives or power to solve the problems of a legislative nature that are facing the country or to debate the

position of the government and state, I do not see why anyone should go to great lengths to set up such a body.

If, on the other hand, the CNT is there to overcome the crisis of legitimacy and amend government bills so as to facilitate a rapid return to elections through more substantial dialogue with all the parties that might find themselves within that structure for dialogue, I am completely in favor of it. The main objective of that dialogue must be the higher interest of the country, with no one-upmanship or Byzantine discussions. If that is the CNT's objective, our movement will participate in it either inside or outside that body in defense of the Constitution against all attempts—illegitimate in any case—to amend it and in defense of the citizens.

[EL WATAN] Your definition of the CNT is practically the same as that contained in the platform of the national conference; participation by Hamas seems to be a sure thing.

[Nahnah] As you know, our movement applies the principle of shura [consultation] literally. Everyone gives his opinion, and my point of view does not count for any more than that of others.

[EL WATAN] Has the question been settled within your party?

[Nahnah] The question has not been settled. We are holding a meeting today (Editor's note: yesterday) at the office of the president of the republic. If we see that there is a sincere willingness to work in accordance with the principles we have set forth, we will be part of the CNT.

[EL WATAN] Won't it bother you to be the only one among the country's most important parties to be in the CNT?

[Nahnah] Our movement does not want to be in the shadow of any party whatever. We are free to take the stand we consider appropriate without being influenced by one or more parties. We may be right or wrong, but the main thing is that we should work for the good of the country and for its interests.

[EL WATAN] Yesterday—Tuesday—you had a meeting with some political parties (Editor's note: the MDA [Movement for Democracy in Algeria], the FLN [National Liberation Front], and al-Nahdah). Was there any connection between that and the CNT?

[Nahnah] Our meeting with a certain number of parties yesterday was concerned with something else. We were concerned to find ways to restore the citizens' confidence and rehabilitate party activity in the eyes of public opinion. The second topic discussed during that meeting was the action to be taken to drive the specter of despair away from the citizens. In the reality of Algeria, the policy of aggravating the crisis and that of deterioration have long prevailed. That situation needs to be remedied quickly. Our movement is one of those asking the

current government to provide more transparency and open the doors of the economy to domestic and then to international initiatives.

Domestic and international investors are still reluctant because they have no confidence in the laws. By way of example, domestic importers have been caught unawares by the devaluation of the dinar when their goods arrive in port. Are they supposed to pay the old rate or the new one? I consider that a form of violence. Our movement's basic concern is to neutralize all the reasons or paths leading to violence.

[EL WATAN] What do you expect to result from that meeting?

[Nahnah] We are still at the stage of drawing up a platform that we plan to submit to the office of the President as a contribution on our part in proposing solutions to the crisis.

[EL WATAN] You are one of the parties and associations that have called for a march this coming 8 May. What are your words of command?

[Nahnah] The march on 8 May will be like the other marches that have taken place in our country. Political groups have expressed their stand on dialogue. We have another approach—one leaning more toward intensified political dialogue—because we feel that the current political deadlock cannot be permanently resolved by an antiterrorist law and the policy of all-out security. We want the demonstration on 8 May to work toward the country's development and unity. It must not serve narrow partisan interests. If people try to divert the march to other objectives, they will have to assume the responsibility.

[EL WATAN] You support dialogue with no one excluded, but the armed groups in the GIA [Armed Islamic Group] reject any negotiation with the government. In your opinion, what is the proper reaction to that obstinacy?

[Nahnah] For our part, we feel that anyone who rejects dialogue must present an alternative. That alternative must not take the form of a Mahchoucha (Editor's note: sawed-off shotgun) or that of an armored vehicle, and it must not be inspired by any imported ideology. The tragedy that we are experiencing must be resolved by and among Algerians. Algeria belongs to Algerians of all kinds and all political convictions. Extremism must not have a place in a country that is rich in history and in natural and human potentialities.

[EL WATAN] Don't you think that the wise men among men of religion have failed to do their part to prevent young people in particular from being prey to extremism?

[Nahnah] Extremism is the phenomenon of this century. It does not exist only among Islamists. You will find it among Christians, Jews, Buddhists, and so on.

Extremism has historical causes and objective, psychological, economic, and social causes. The various regimes in the Arab countries were unable or unwilling to get control of this problem before it appeared. The intellectuals and men of knowledge also failed to take steps to tackle the phenomenon in a rigorous scientific manner. And in Algeria, the state did not train high-level cadres in the theological area soon enough. That is why the doors were thrown open to all comers. The single-party system, with all the defects it engendered—corruption, for example—also enabled extremism to take root.

[EL WATAN] What do you think of the Berber cultural demands?

[Nahnah] Our movement feels that if any issue concerning the country is not taken into consideration and debated, it will sooner or later have a snowball effect with harmful consequences. There is no objection to a debate on Berber culture; the main thing is to be able to express oneself and try to persuade others. All the same, it is amazing to see that in a country like Switzerland, where four different languages are spoken, society is stable, united, and above all prosperous.

[EL WATAN] What is your opinion of Mokdad Sifi's government?

[Nahnah] It is like all the governments that preceded it. The winning numbers are drawn by the government out of the same hat. We had hoped that this government would not be cooked up in a pressure cooker but formed as the result of consultation with the parties. Because in our opinion, this government concerns the political parties and the citizens generally. The current government will meet the same fate as the other governments. But what I fear is the fact that these governments may be just a means of playing for time.

[EL WATAN] Did you meet with certain officials of the former FIS [Islamic Salvation Front] during your tour of Europe and the Middle East?

[Nahnah] We have never met with Rabah Kebir, as some of the media have reported, or with officials of the FIS either inside or outside the country, except for certain of that party's founding members with whom we spoke long before all this.

But our hope is that Djeddi and Boukhamkham will strive to contact their elected brothers who are members of the Majlis al-Shura [consultative council] and the political class with no one being excluded. The armed groups will remain, however, and I won't conceal from you the fact that we think a solution the crisis is very close.

[EL WATAN] Do you think that only Islamist extremists are behind the terrorism?

[Nahnah] The former FIS provides "cover" for a very wide spectrum. Many people who do not wish the country well are hiding in it. It is true that certain methods of assassination, and the confessions of the



perpetrators of those assassinations, as well as everything we learned in connection with the assassination of Shaykh Bouslimani by Djaafar El-Afghani's or Sayeh Attia's groups, are the work of Islamist extremists pending proof to the contrary. [sentence as published]

Also hiding behind that "cover," however, are all those who like to fish in troubled waters: organized crime, thieves, gangsters, harkis [Algerians who fought for France during the revolution], and the sons of members of France's Arab units. So Algerians must learn to tell the difference between those people and the others. And the political class must be able to distinguish between those groups so that politics will emerge with democratic freedoms and respect for the Constitution. Without those two parameters, the violence will continue.

Moreover, it must be pointed out that there is violence in every country: Spain, Italy, the United States, and so on. We feel that the phenomenon of violence requires a rapid return to legality so that every individual who wants to destroy the country and sow destruction can be immediately isolated.

#### Commentary on Reaction to Slayings of Religious

##### Tension Escalates Following Murders

94AF0197A Paris LE MONDE in French 4 May 94 p 7

[Article by Catherine Simon: "Deceptive Calm of Spring in Algeria"; first paragraph is LE MONDE introduction]

[Text] *The murder of two French religious in Algiers seems to have brought a brief and artificial period of euphoria to an end.*

Algiers—The emotion aroused by the murder of two French religious—killed in the Casbah district on Sunday 8 May—should induce foreigners "whose presence in Algeria is not essential," as the diplomats put it, to leave the country as quickly as possible. The face of the capital has not changed, however. For the past three weeks, blood and sun have been coexisting, tragedy rubbing shoulders with ordinary routine at intervals of only a few hours or a few kilometers.

While death was doing its work in an alley in old Algiers on Sunday, life was in full swing in the port district, which was full of kids, sunlight, and heat. On flowery hillsides and along the highways, families were picnicking on the grass and old people were taking siestas without a glance at the young people flirting not far away.

Around Ain Benian west of the capital, the seedy bars in Madrague were crowded again. The mountains of grilled red mullet and swordfish on paper tablecloths were being washed down with rose wine. The nearby beach at Club des Pins was also swarming with girls and boys together.

Although the good weather has a lot to do with that springtime exuberance, the security forces have also

done their part. The particularly "hot" Islamist fiefs in the Mitidja region—Lakhdaria, Medea, Blida, and Dellys—received a forceful visit from elite units in March and April. Thanks to often ferocious repression, a semblance of calm was restored. Several guerrilla chiefs were reportedly killed and their gangs dismantled.

It is true that many questions remain. The insidious warfare between armed Islamist groups and the police remains invisible to ordinary observers. Journalists and diplomats alike generally have no choice but to feel their way in the fog of official communiques, anonymous tracts, personal accounts, and rumors. But the recent "clean-up" operations by the Army have apparently had noticeable results not only in the capital but throughout the Algiers region. In Blida and Medea, not a few women who were still subject to fundamentalist edicts just recently have now decided to put away their "hijab" (veils).

How long will the calm last? No one knows. "That is why we must make the most of it: if we're going to die tomorrow anyway, we may as well breathe today," said one Algiers woman with a brave smile. And with the sun as encouragement, foreigners would almost be doing the same. Since the murder of an employee of the Russian Embassy in Algiers on 28 March, none of them had felt the terrorist wrath. Even the death threats were becoming less frequent. That happy period was to be of short duration. Suddenly brought back down to earth by the murder of Sister Helene Saint Raymond and Brother Henri Verges, foreign nationals, especially the French, are again on the alert.

The first wave of departures took place last November following the kidnapping of three employees of the French General Consulate in Algiers. The All Saints holiday had provided a good pretext to avoid calling that hasty exodus a "repatriation." The Christmas holidays, preceded by a stream of murderous attacks on foreigners, gave the signal for a second wave of departures.

As an indication of that mass exodus, the 1,400 students enrolled in French-language schools last September are now down to a little less than 300 at the Algiers lycee, the other schools having closed their doors in April. For security reasons, the six French cultural centers (in Algiers, Oran, Annaba, Constantine, Tlemcen, and Tizi-Ouzou) have done the same. Their activities have been "suspended" for several weeks now.

The political uncertainties weighing on Algeria's future have hardly any chance of reversing that situation. The march by the "reconcilers," which was supposed to rally all the fundamentalist groups, attracted only a few participants. The FLN [National Liberation Front] and the moderate fundamentalists in Hamas [Islamic Society Movement] and Ennahdha were not really able to mobilize anyone besides their own troops. Those who were predicting participation by the former Islamic Salvation Front (FIS) were wasting their breath.

The murder of the two French religious, having been perpetrated less than two hours after the demonstration ended, seems to indicate that the terrorist groups, being hostile to all dialogue, are disinclined to drop their guard. Speaking through Rabah Kebir, president of its executive body abroad, the FIS "condemned with the greatest firmness" that double murder, calling it "contrary to Islamic teaching," while Henri Tessier, archbishop of Algiers, stated that despite that "absurd crime," "it was more essential than ever to increase the number of places where Christians and Muslims cooperate in getting to know and respect each other."

Are the sorcerer's apprentices to be found exclusively in the Islamist nebula? Common sense would say so. But common sense is not exactly one of the most widely distributed virtues in this bruised country, where the vehemence of passions and the parochial spirit—or perhaps we should say the spirit of the minaret—all too often take the place of a political program.

#### Editorial Questions Reconciliation Efforts

94AF0197B Paris LE MONDE in French  
11 May 94 p 1

[Editorial: "Algeria on Hold"]

[Text] The murder of two French religious and the fiasco of the demonstration for national "reconciliation" in Algiers on Sunday 8 March were a reminder of the fragility of the calm being experienced by that country in recent weeks. The calm atmosphere had led a good many people to return to an almost ordinary life—a life of strolling about and going to the beach.

If there was detente, it was bought at a high price, considering that the Army, which for a time had seemingly abandoned the field to armed Islamist groups, resumed its offensive in fundamentalist bastions both in the eastern and the western part of the country. It did not spare the means—including napalm, among other things—in its attempt to get the better of its opponents at the risk of harming the innocent.

The armed Islamist groups were probably hit hard, but despite that, they are not ready to let go. They are more convinced than ever that victory is to be found at the end of a gun and that nothing can be won around the green baize of a conference table. Their fierce resistance promotes the goals of the "politicians" in the Islamic Salvation Front (FIS), especially its leaders, Abassi Madani and Ali Benhadj, who can thus raise the stakes in their fight against the government, which is striving to draw them into the institutional game.

By refusing to participate in the march for reconciliation, the "party of God" won a victory by default. By murdering two Catholic religious, the most radical of the Islamists tried to go even further and show anyone who might tend to forget it that time does not dull their combativeness and that it will eventually work in their favor.

In assuming the office of president, General Lamine Zeroual gave the impression that he wanted to find a political solution to the crisis being experienced by the country rather than relying on the law-and-order approach. He went about it by surrounding himself with men who were not hostile to that view of things and by initiating discreet dialogue with the Islamist leaders. It must be admitted that for the moment, he has gotten nothing in return.

The government is being forced to have two irons in the fire. It must simultaneously engage in warfare with the armed groups and hold talks with the Islamist leaders in the visiting room at Blida Prison, while at the same time not burning its bridges with the traditional political forces, be they "reconcilers" or "eradicators"—advocates of strong-arm tactics—who are always ready to draw it into their own camp. And, above all, without endangering the unity of the Armed Forces, which are the cornerstone of any solution.

Algeria therefore seems to be taking its troubles patiently and adjusting as best it can to an instability that is difficult to overcome and a "war" that no camp seems capable of winning. Except by putting the country to fire and the sword.

#### Catholic Community Reaction

94AF0197C Paris LE MONDE in French  
10 May 94 p 28

[Article by Catherine Simon: "Murder of Two French Religious in Algiers Shocks Catholic Community"; first paragraph is LE MONDE introduction]

[Text] At the same time that a march for "dialogue" was taking place in Algiers under the sponsorship of about 10 political movements, some of which represent moderate Islamists, two French religious were being murdered in the Casbah on Sunday 8 May.

Algiers—Sitting right on the sidewalk, a group of adolescents was quietly playing dominoes. From the nearby mosque could be heard the chant of the muezzin calling the faithful to evening prayers. The city was calm. Algiers was winding down as though nothing had happened. As though death were another story.

Helene Saint-Raymond, a nun belonging to the Little Sisters of the Assumption, and Henri Verges, a Marist priest, were very familiar with the city. Sister Helene, 67, arrived here in 1968, while Father Verges, 64, came in 1969. Both were perfect Arabic scholars, and they worked at the Ben Cheneb Library in the upper Casbah—one of the few places where lycee students from the neighborhood could gain access to books at the cost of a few dinars. It was there, in their office, "practically before the eyes of the young people," that they were shot to death in the early afternoon. Their assailants, "two young terrorists armed with automatic pistols," according to the French-language daily EL WATAN, managed to escape.



"We are stunned. I can't find words," sighed one of their priest friends, who himself has lived for many years in one of those "working class" suburbs—meaning "deprived" suburbs and therefore commonly regarded as bastions of armed Islamism. In all, it is estimated that there are more than 400 French Catholic religious scattered around the territory. "I pay attention, yes, of course," the old priest added. But how can one defend oneself in this lethal lottery that has claimed over 3,000 victims nationwide in the past two years? By restricting one's movements as much as possible, avoiding "high-risk" neighborhoods, and constantly changing one's residence and the routes one takes. But those rules can be followed only by a tiny minority of privileged individuals, whether Algerian or French. Obviously, French religious are not in that category.

#### March for 'Dialogue'

Like the some 20,000 registered individuals with dual nationality, the majority of whom are French women married to Algerians and in many cases residents themselves of the "working class" neighborhoods, Catholic religious are easy prey for the supporters of terrorism.

The shock here is tremendous. Because they are French and Christian, members of the French religious communities are the best possible targets from the standpoint of attracting media attention. The death of two of their number provides tragic confirmation of what many people were refusing to see: neither divine providence nor neighborliness protects foreigners.

The massacre of 12 Croatian nationals—of Christian origin—in the Tamezguida region east of Algiers last 14 December profoundly shocked the Catholic community. But it did not convince them of the need to pack up and leave. Pending the return of Algiers Archbishop Tessier, who was in Rome at the time, no public statement was issued in Algiers.

The spokesman for the French Government, Nicolas Sarkozy, said that "Algeria is currently one of the most serious topics of concern for the prime minister." In Algiers, the Ministry of Interior firmly condemned the double murder and gave assurances that the perpetrators would be "found and punished." It added that Algeria, "famous for its hospitality and its respect for human life, is not and will never be [the Algeria] of murders."

This new tragedy in the Casbah—where French cameraman Olivier Quemener was killed last 1 February—occurred barely two hours after the conclusion of the silent march in support of "dialogue" and "reconciliation" that had been organized by about 10 political parties, including the FLN [National Liberation Front] (formerly the single party) and such "moderate" Islamist movements as Hamas, Ennahdha, and former President Ahmed Ben Bella's MDA [Algerian Movement for Democracy]. Is that proximity in time and space (the Casbah is right next to Martyrs Square, where the demonstration ended) a coincidence? According to the most probable theory, the murder of the two religious

could be the work of "radical" Islamists hostile to all "dialogue" with the government and eager to remind people of their presence following the "clean-up" operations carried out by security forces in the main cities in the Algiers region.

But extremist "bearded ones" are not the only ones opposing the potential negotiations that the historic leaders of the former Islamic Salvation Front (FIS) have reportedly begun in secret with the military hierarchy now in power.

Some of the French-language newspapers have not hesitated to denounce the "march of shame" and harshly criticize the "conservatives" who, under the pretext of dialogue, are calling on the nation to "shake the hands of terrorists." Judging from what the newspapers say, the demonstration by the "reconcilers" attracted only 20,000 people in Algiers, compared to the 100,000 who were expected. While the daily LE MATIN mocks what it regards as a "fiasco," its rival newspaper LIBERTE sums things up in a terse headline: "The People Did Not March."

#### Future of Muslim, Christian Relations Questioned

94AF0197D Paris LE MONDE in French  
10 May 94 p 28

[Commentary by H.T.: "Moral Dilemma"]

[Text] The murder of two religious is a new insult to a country that has sheltered the steeple, minaret, and synagogue in peace for so long. There is no reason to say that the Marist priest and the Assumptionist nun were killed primarily because they were members of religious orders or because they were French citizens. But the relentless logic of the Islamists—which is the same as that in Sudan or Egypt—invariably calls for attacking minorities, whether civilian or religious. This double murder constitutes a new test for relations between Christians and Muslims. And also for Islam, whose image is distorted by this new violation of the state of "dhimmitude" [Muslim toleration of religious minorities], which obligates the faithful to respect the weaker members of society—women and children—and priests as holy men.

There are still 30,000 Catholics in Algeria.<sup>1</sup> Faced with the rise of fundamentalism, the Christian communities of North Africa are having to deal with a moral dilemma, as evidenced by the synod of African bishops that has just been held in Rome (see page 14 [not reproduced]). They must simultaneously avoid exposing themselves and being made "martyrs" by the FIS on the one hand and, on the other, preserve the future and concrete friendships with moderate Muslims who are repelled by that Islamism. "It is necessary to stay because among us, it is a matter of loyalty," said Archbishop Tessier of Algiers before the murders on Sunday. And he added: "We have been with them during colonization and since independence. We remain with them in their anxieties."

The Christian churches have often been criticized for their naiveness in wanting to continue a dialogue with Islam at all costs, even when the latter was becoming more aggressive, even toward Christians and the Vatican. But rather than "naiveness," it is opposition that one must speak of today. There is an intransigent line of thinking that is inspired by events in Algeria, Egypt, and Sudan and hostile to the political statements of radical Islam. It is demanding as many rights for Christians in Islamic lands as Muslims enjoy in Christian lands, and its basis is the demand for "reciprocity" that was mentioned by the pope in Casablanca in 1985. But there is also resistance by a moderate group that advocates cooperation between Christians and Muslims in a multi-faith and, at the moment, peaceful context, as is the case in Senegal, Mali, and even Libya.

If dialogue is still possible with all sincere Muslims who condemn terrorism and violence, and they are by far the most numerous and the most reduced to silence, good will in only one direction is not enough. It no longer seems capable of saving anyone, religious or not, in Algeria today.

#### Footnote

1. Algeria has four Catholic dioceses (Algiers, Oran, Constantine, and Laghouati), 170 priests, 100 monks, and about 350 nuns, most of whom are involved in educational and social work.

### EGYPT

#### Economic, Commercial Ties With Kuwait Viewed

94LD0032A Cairo AL-MUSAWWAR in Arabic  
4 Mar 94 pp 24-25, 75

[Excerpts] There is a fact that must not be forgotten, and it says that Kuwait prior to 2 August 1990 is different from today's and tomorrow's Kuwait. The lesson learned on that date was a lesson beyond imagination for all children of the Arab nation generally and for the children of Kuwait in particular. Nobody had imagined that the day would come when one Arab would attack another Arab brother, would invade his land, and would treat him as one treats enemy prisoners.

This is a history that has left its imprints on every heart, in the depths of every conscience, and in the crevices of the soul of every Kuwaiti who had been living safely and securely. This Kuwaiti citizen has responded to his Arab nation most sincerely, courageously, and faithfully and has tried as hard as possible to support his Arab brother in all positions and crises to the degree of his belief in this brother's position and his awareness of this brother's crisis. [passage omitted]

In this regard, we find that relations between Egypt and Kuwait are distinguished relations that crystallize that vital slogan that is applied seriously, enthusiastically, and with mutual faith. The slogan is that Egypt and Kuwait are brothers in time of tribulation and partners

in time of prosperity. If time confirmed this fact in the past, whether before or after the aggression, then it behooves us to take a pause before the reflection of the Egyptian-Kuwaiti relations in the past year.

To start, we generally say that in 1993, Egyptian-Kuwaiti relations experienced constant growth at all levels. This growth reflected the strong boost these relations had gained during the aggression to which Kuwait was subjected by Saddam Husayn, Iraq's tyrant. This ordeal contributed to strengthening the bonds of love and fraternity between the two peoples, considering that Egyptians and Kuwaitis united as a single man in their rejection of the aggression and their defense of Kuwait's freedom and independence.

This growth in the two countries' relations was not confined to official aspects solely but was coupled with a noticeable leap in relations between the two fraternal peoples. This leap was embodied in the frequent visits between representatives of the two countries' popular organizations and in increased numbers of Kuwaiti tourists coming to Egypt, not to mention the single spirit that united both countries' read, seen, and heard media, which played the same tune for freedom, dignity, and independence.

When speaking of development of the Egyptian-Kuwaiti relations in 1993, we can say that a new spirit cast its shadows on the various aspects of cooperation between the two countries since the invasion ordeal that culminated with the invaders' defeat and with the restoration of Kuwait to its legitimate owners. This cooperation is no longer based on interest alone and it no longer relies on the conventional mainstays that bind all Arab and Islamic countries. Rather, other elements of rapprochement and harmony were generated and they resulted in the spontaneous solidarity between the two people's citizens during the ordeal.

It is worth noting that the direction of the bilateral Egyptian-Kuwaiti relations indicates greater closeness and communication in the coming phase, thus reinforcing the accomplishments made recently as a result of the wise leadership of His Highness Prince Jabir al-Ahmad al-Sabah, amir of the State of Kuwait, and His Excellency Muhammad Husni Mubarak, president of the Arab Republic of Egypt.

#### One Philosophy

In the information and culture area, Kuwait was keen on organizing cultural weeks in Egypt, including art shows and varied intellectual and literary activities. They included the week organized by the University of Kuwait in cooperation with Alexandria University—a week which abounded with artistic and intellectual demonstrations that reflected the spirit of cooperation between the two countries. Kuwait also participated in the activities of the Cairo International Fair which was held at the beginning of this year.

Moreover, Cairo witnessed the visit by Kuwaiti Information Minister Shaykh Sa'ud Nasir al-Sabah who met with President Husni Mubarak and high-ranking officials. The minister concluded a number of agreements in the various information areas to bolster cooperation between the two countries' radio and television people. This cooperation was bolstered with the agreement concluded between Amin Basyuni, head of the Radio and Television Union; and Faysal al-Hajji, Kuwaiti Information Ministry undersecretary, to receive the transmission of the Kuwaiti satellite channel and to retransmit it in Egypt. Kuwait also purchased a large number of television and radio productions from the union.

Educational cooperation marched in step with the information cooperation. Egypt loaned 1,053 male and female teachers to Kuwait and increased the number of Kuwaiti male and female students in Egyptian institutes and universities to 816 students. Egypt also contributes to the development of Kuwaiti curricula and meets Kuwait's needs for educational materials and requirements.

In a related development, the Kuwaiti Government and people contributed to the construction of dozens of schools to make up for the schools damaged by the October 1992 earthquake. Kuwait played a prominent role in alleviating the effects and in dealing with the consequences of that catastrophe. As of the moment news of the catastrophe were broadcast, Kuwait rushed to express its solidarity with Egypt. Kuwaiti Foreign Minister Shaykh Salim al-Sabah was the first Arab official to arrive in Cairo to convey condolences on the loss of the earthquake victims. Kuwait did not content itself with this moral gesture but proceeded to offer \$20 million as a first installment to assist earthquake victims; established an air corridor to deliver medical and food supplies to Egypt; and launched active popular efforts to collect donations, which amounted to dozens of millions [of dollars].

#### **Egyptian Labor in Kuwait**

As Kuwait contributed with its great generosity to the reconstruction activities that followed the earthquake, Egypt continued to participate in the building and reconstruction operations that followed the liberation of Kuwait. Egyptian construction companies continued to perform their commendable role in restoring utilities and installations and contributed to the development projects going on in all parts of Kuwait. In addition to this direct participation, Egyptian labor and brains, working side-by-side with Kuwait's citizens, have contributed greatly to Kuwait's revival. After its liberation, Kuwait opened its doors to Egyptian labor and gave Egyptian workers all facilities and privileges that enable them to offer even more. Consequently, large numbers of Egyptians poured into Kuwait. By the beginning of 1993, their numbers amounted to 140,000 Egyptians, representing 26 percent of the foreign labor, followed by Indian, Bengali, and Pakistani workers. A total of 63 percent of the Egyptian workers in Kuwait are employed

in the manufacturing sector and 17 percent in the trade and insurance sector. Out of the two countries' eagerness to safeguard Egyptian workers' rights, 1993 saw the conclusion of an agreement by the two countries' manpower ministers that stipulates that the salary of an Egyptian worker in Kuwait will be no less than 70 dinars [D] monthly, plus food and housing. Moreover, the two countries' labor unions have been working actively to bolster their cooperation in the various areas.

#### **Open Lines**

In view of the importance of transportation and communication means in strengthening concerted cooperation between the two countries in the area of labor and other areas, officials have devoted attention to bolstering these means by increasing the number of telephone lines and eliminating obstacles in the area of air transport. Moreover, the Kuwaiti National Assembly approved the Egyptian-Kuwaiti agreement on land transportation of goods and passengers, which calls for abolishing any fees or other taxes levied on the two countries' citizens in these areas.

The positive steps taken by the two sides in this regard reflected positively on their economic relations. Trade activity and capital movement increased and Kuwaiti participation in varied production projects grew. An indication of this fact is that total loans and grants advanced by Kuwait to Egypt grew to \$52 million to finance 16 projects. Egyptian officials assert that these sums have contributed effectively to Egypt's development programs because of their soft terms and high performance. In the context of bolstering the two countries' economic cooperation, the Kuwaiti Development Fund allocated \$500 million as a contribution to Egypt's economic reform process until 1995.

A prominent project to which Kuwait contributed in 1993 is a project to reclaim 400,000 feddans of land in the Sinai at a total cost of 4 billion Egyptian pounds, to which Kuwait has contributed the equivalent of D71.3 million. This is in addition to dozens of other projects to which Kuwait has contributed more than D300 million.

On its part, Egypt is keen on elevating the level of economic exchange with Kuwait, and it seeks to increase its export rates. Consequently, it has established a trade center in the middle of the Kuwaiti capital to display Egyptian products. Sixty companies and factories have participated in this center. This is in addition to a center to provide information on Egyptian goods and companies. In this respect, Kuwait participated in 1993 in the Cairo International Fair through 300 companies and establishments that displayed a variety of distinctive Kuwaiti products, embodied in textiles, consumer goods, perfumes, aluminum products, and fish. This demonstration was an opportunity for businessmen from both countries to meet and to agree on joint production and service projects. The Kuwaiti side also expressed its willingness to import more Egyptian goods and products. The value of such imports amounted to more than 300



million pounds in 1993. By June 1993, total Kuwaiti investments in Egypt amounted to 788 million pounds, which is the equivalent of 16 percent of the total Arab investments in the country.

The two countries believe that the presence of a feeling of security and safety at the domestic and external levels is one of the most important elements that contribute to enhancing economic and other forms of cooperation between the two countries. Consequently, Egypt has received numerous Kuwaiti Army officers to be enrolled in training courses at specialized military units and institutes. Egypt also sends its experts to train Kuwaiti soldiers in operation the locally-manufactured air defense system.

Regarding domestic security, cooperation between the two countries witnessed noticeable growth in 1993. Kuwaiti Interior Minister Shaykh Ahmad al-Hamud al-Jabir visited Cairo and held with Egyptian officials contacts that culminated in the conclusion of agreements in the areas of training and information exchange. Egypt dispatched 43 officers, ranking from major to brigadier general, to join the Kuwaiti State Security Agency and to contribute with their expertise in training their Kuwaiti colleagues on investigating war crimes, interrogating prisoners and collaborators with foreign circles, and fighting espionage.

#### Exchange of Convicts

Security cooperation was coupled with cooperation in the legal area by virtue of the strong link between the two areas. This cooperation included the Kuwaiti National Assembly's approval of the extradition treaty between the two countries and the loaning of 41 Egyptian counselors to Kuwait to work in its various legal departments.

A delegation also visited Egypt in 1993 from the management of Kuwait's Citizen's Administration and Complaints Office. The delegation met with officials of the Administrative Control Authority, and familiarized itself with its working systems.

In addition to these areas of close cooperation between the two countries in 1993, forms of cooperation in other areas, such as health, also expanded. Visits between the two countries' physicians increased and Kuwaiti import rates of Egyptian drugs rose. In the area of electricity and energy, Kuwait participated in the construction of a number of Egyptian power plants, including Sidi Kurayr plant at a cost of \$300 million. Kuwaiti electricity networks also contributed \$3 million, in addition to building a heavy oil distillation unit at a cost of \$5 million.

In the oil resources area, 1993 experienced constant growth in oil-prospecting operations carried out by Kuwaiti firms in Egypt, and these operations scored great success. Coordination continued between the two countries' officials on oil policy. Cooperation between trade unions in the petrochemicals area was also active. The Kuwaiti Government renewed the contracts of the

Egyptian firms that participated in restoring and rehabilitating Kuwaiti oil wells that had been destroyed during the Iraqi aggression.

#### Venerable al-Azhar Delegations

Out of awareness of the strong spiritual tie that binds the two countries' peoples, their two governments devoted great attention to this area. Delegations from the venerable al-Azhar visited Kuwait constantly and Cairo received increasing numbers of Kuwaiti students in its religious institutes.

#### Businessmen React to GATT

94LD0039B London AL-SHARQ AL-AWSAT in Arabic  
5 Apr 94 p 11

[Text] Cairo—The Egyptian Businessmen's Association called upon the Egyptian Government to embark on certain structural economic reforms in anticipation of the effects on the Egyptian economy of the General Agreement on Tariffs and Trade [GATT] and in order to maximize the benefits [to Egypt] of that agreement.

An Association study emphasized that 95 percent of world trade is covered by the agreement, which is to be finalized in Marrakech, Morocco, in the middle of next month. It should be mandated, therefore, to seek to benefit by that agreement to the extent possible.

With regard to the remarks and demands that the Egyptian side could contribute before the final signing of the agreement, the study explained the possibility of focusing on the benefits the new organization, the World Trade Organization, could offer developing countries in terms of information on the implementation of the agreement, training the cadres involved with it in both government and private sectors, and reinforcing guarantees for the protection of national industries.

The study suggested bolstering the organizational setup that would monitor the domestic implementation of the agreement to ensure full participation by private sector institutions.

On the development and promotion of Egyptian exports, the Association called for a comprehensive strategy appropriate for recent developments in the world trade system. Such a strategy, to be devised by the private sector in partnership with state agencies, would focus on certain areas, such as giving exports priority and preferential treatment in the state's economic development policy, identifying the goods and services that offer comparative advantage in propelling the export sector and boosting its potential, lifting export impediments, and providing needed export incentives.

As to investments under GATT, the Association called for lifting trade restrictions that have a negative impact on foreign investments. The Egyptian Businessmen's Association emphasized that removing foreign investment restrictions could be of considerable help in boosting the activities of multinational corporations,

especially since benefits to Egypt from such corporations so far have been far less than minimal.

The study strongly recommended adoption of the ISO [International Standardization Organization] 9000 system of standards and measures since it will be a vital component of future export operations.

The study also emphasized that the GATT-stipulated principle of competition in the field of services would be more beneficial to Egypt than harmful since Egypt is one of those countries whose services account for a high percentage of national income. Services [in Egypt] are also a major source of foreign exchange, especially from tourism and expatriate remittances.

The Businessmen's Association also called upon various government agencies to prepare themselves to meet the agreement's new requirements in order to benefit from it to the maximum. It pointed out that efficiency and production quality will be the major criteria for competition even among the developing nations themselves.

Separately, AL-SHARQ AL-AWSAT was told by Sa'id al-Tawil, president of the Egyptian Businessmen's Association, that reducing customs duties and other fees and opening world markets to Egyptian products would inevitably propel exports since domestic products have been encountering sizable obstacles in European and American markets that have not been serious in their commitment to international trade rules.

Al-Tawil elucidated: "Some may believe that reducing trade restrictions inherently carries negative implications for developing countries in general, such as exposing national industries, and especially nascent ones, to intense competition, particularly from advanced and Asian nations. Those objections, however, must not raise Egyptian fears because the agreement has given the group of developing nations, including Egypt, the right to protect its industries and to monitor domestic markets against the dumping of foreign products."

He pointed out that one shortcoming of the agreement is that it did not open the door fully to textile exports but rather maintained the quota system, which is to be phased out over 10 years ending in 2004. That, however, could serve the interests of Egypt since the sudden abolition of quotas could expose Egyptian products to intense Asian competition, and since Egypt does not exhaust its quota.

It has been claimed that prices of imported farm products could go up when they are no longer subsidized by the advanced nations. Those fears may be exaggerated, however, since the reduction in subsidies will be no more than 20 percent and will be phased-in over six years. This would also be mitigated by other factors such the facilities granted by international world financial organizations. [as published]

On tourism, the president of the Egyptian Businessmen's Association pointed out that Egypt's openness to the

world produced a large increase in the number of tourists and in tourism revenues. That sector was liberalized to the extent possible in the market while safeguarding Egyptian interests.

#### **New Youth Employment Measures Announced**

94LD0028A Cairo AL-AHRAM AL-DUWALI in Arabic  
13 Mar 94 p 3

[Article by Amal Sa'd: "For First Time, Real Jobs for Graduates; Youth Still 'Anxious' Over Government Employment, Preferring It to Private Employment; Looking for Stability, Family Aspect, and Insurance, Graduates Say Yes to Government Employment; Appointment of 55,000 Graduates to Government Apparatus to Meet Actual Needs at Work Sites; Conversion Training and Amendment of Labor Laws Are Essential for Stable Labor Market"]

[Text] Within the context of the government policy to create real work opportunities for the youth, the Ministry of Manpower announced that it has agreed to hire 55,000 college and high school graduates who have graduated since 1983 in an effort to break the unemployment siege from which youth suffer. Are there actual specialized positions and jobs awaiting these youth or will the appointees turn into more of the masked unemployed with which ministries and government agencies abound? Is there demand for appointment? How will the appointees be treated in terms of salaries and social allowances? How did the youth spend the recent years before their turn to be appointed arrived?

#### **Appointment to Real Jobs**

Muhammad Amin Mahfuz, general director of employment at the Ministry of Manpower, has said, "For the first time, this year we are following a new policy of appointment to real jobs in order to meet actual needs. Youth with high school diplomas will be appointed according to grade point average and those with college degrees, according to general evaluation. Unlike what happened in past years, not all graduates of the same year will be appointed, because this system has proved to be a failure and because it has resulted in masked unemployment that saddles the government with enormous financial burdens, with nothing produced in return. This year, there is an actual need to make a total of 54,066 appointments in order to meet the shortage in a number of government agencies, including the Ministry of Education, al-Azhar, local government agencies, the Ministries of Health, Social Affairs, and Agriculture, the Public Book Authority, and the Higher Youth and Sports Council. The Ministry is committed to making these appointments by the end of April. The Domestic Employment Department has prepared its plan to complete the appointment of graduates from among the graduates of 1983 to 1993. Different levels of qualification are required from the classes graduating in different years. [High school and college level] qualifications are required of 1983 graduates. College degrees are required



of 1984 graduates (like this year's main class). From the years 1985 to 1993, honors graduates are needed.

"For example, graduates of Islamic law colleges, law schools, arts sections, documentation, and library sections from 1984 to 1993 [will be appointed]. Graduates of 1992 were appointed last year, and 1993 graduates, as well as graduates from previous years who haven't been given jobs, will be appointed this year. Graduates of English, Arabic, French, and other language sections and of al-Azhar colleges from 1984 to 1992 will also be appointed. The required number of appointees from each educational level will be selected according to specialization and from the year entitled to appointment, and then from subsequent years."

#### New Unemployment

"Even though this new system will, as Muhammad Mahfuz says, eliminate the masked unemployment phenomenon because it calls for appointment to meet actual needs, it may lead to unemployment among graduates of colleges which aren't in demand, such as schools of arts and oriental language schools. This requires correction of the educational direction (as a long-term plan) to make it compatible with the market's actual needs and to give the new generations skills that enable them to work for themselves on the one hand and, on the other hand, to create new venues for the appointment of these graduates in small projects.

"This correction also requires focusing on the role of conversion training to divert employees toward truly productive jobs and to create private sector associations so each association will appoint its own members, solve their problems, conduct feasibility studies for their projects, and train them. There is no doubt that the ministry has a role to play in drafting plans for projects to be undertaken by graduates. A conversion training plan (for a two-month training course) has been prepared with the Ministry of Education for graduates of psychology, philosophy, and oriental languages so they will be trained on documentation and library tasks and will work as librarians. No plan has been drawn up yet for graduates of other theoretical colleges and high schools. However, there is an urgent need for such a plan, especially when we learn that high school graduates represent 75 percent of the unemployed [graduates] generally. College graduates represent just 12 percent and graduates with above high school diplomas represent the remaining 13 percent. We must note here, as the general director of internal employment has said, that vocational conversion training must be compatible with every group of graduates independently. Else, we must enhance the qualification level of the graduates of each group within their own specialization so as to make them compatible with the private sector's needs.

"As for the financial position of the graduates who are to be appointed, they will collect the established salaries, namely 64.80 [pounds] as a basic salary for college

graduates and 51.30 pounds as a basic salary for graduates with high school diplomas. Social and periodic allowances will be certainly added to these salaries. Law No. 47 of 1978 will apply to the appointees and they will be granted legal seniority as of 1 February 1994, giving them the full opportunity to receive their first allowance as of 1 July 1995."

#### Demand for Appointment

As to the degree of demand for these appointments, Mahmud 'Askar, chairman of the section for appointment of graduates with a business diploma at the Ministry of Manpower, has said that there is an extremely strong demand for the jobs and that some of the applicants are unemployed and others are actually employed in the private sector but wish to either combine this employment with government employment or to completely give up the former and take up the latter. Some of the applicants even avoid making insurance payments of their own volition and avoid insuring themselves while employed in the private sector so as to get the opportunity for government employment when their turn comes. It is well known that an insured private-sector worker is totally excluded from government employment. Moreover, we do not exaggerate if we assert that some groups, especially self-employed free professionals, avoid insuring themselves so as to get an opportunity to work for the government and then to carry on with their self-employment after official work hours.

'Askar went on to add that all applications will be checked by computer at the Ministry of Social Affairs to verify whether applicants are or are not actually employed, so vacant positions will be filled by the unemployed and not by people who wish to combine two jobs.

#### Youths' Opinion

We had to interview a sampling of the youth who have applied for appointment, especially 1983 or 1984 graduates who have spent nearly 10 years awaiting a letter from the Ministry of Manpower and who have been forced to take up jobs totally unrelated to their specializations. To begin, we assert that clinging to government employment has been the basic thread binding all graduates we have interviewed. However, their justifications and their wishes vary in this regard. Some wish to give up their private sector work altogether and others wish to combine it with government employment.

'Abd-al-'Aziz 'Atiyah Muhammad, who got a BS in chemistry in 1984, works as a railroad conductor. He has said, "My wages from my work amount to 200 pounds monthly because I get additional wages for fines that I collect. I know that my government salary will not amount to one-half this sum. However, I wish to work in my field of specialization, which I love, and I am prepared to give up my current job for its sake."

Layla Mahmud al-Qirabi, who got a licence [equivalent of MA] in English literature in 1989, works as a switch

operator at a major hotel and earns 350 pounds monthly. She wishes to work as a teacher, and she is willing to accept a salary that will not exceed 86 pounds under any circumstance. She has said, "I have to sacrifice the big salary from my current job because this job requires me to work evening and morning shifts, which isn't convenient to me as a wife and a mother. I am looking for government work that ensures me comfort, regular work hours, and maternity leave."

Ramzi Judah 'Abd-al-Baqi, who got a business diploma in 1983, is a citizen of al-Sharqiyah Governorate. He has been unable to work in his governorate due to the lack of employment opportunities there. So, he came to Cairo and worked at a restaurant and confectionery. When his turn to be appointed by the Ministry of Manpower came, he did not hesitate to apply and to express his willingness to leave his current job, which pays him 300 pounds monthly. Ramzi justifies his willingness by pointing out that his work is extremely demanding and that he works 12-15 hours daily. Moreover, he feels that the job is unstable and insecure and he fears that the business owner may terminate his contract at any moment.

#### Family Appearance

Muhammad 'Abdallah al-Sa'idi, who obtained a business diploma in 1983 and who works as a tile layer, has said, "I hate this job. I have been forced to work in it in order to spend on my needs. I collect 20 pounds daily or 600 pounds monthly. But now I wish to work in my field of specialization so as to preserve proper family and social appearances."

Mujdi Mahmud, who received a BA in commerce and business management in 1984 and who works as a teacher at a private school, wishes to be appointed by the Ministry of Manpower so he can get his full due, in terms of promotion, allowances, and the right to do rotations, plus wages for the entire year. In his current position, Mahmud gets no salary for the school summer vacation months.

Nabil Khalifah, a French language graduate in 1985, works as a security officer at a major five-star hotel. He has said, "I don't wish to give up my current job, in which my work ends at 0600. I can then go to my government job and secure a reasonable monthly salary with which to face the high cost of living. Moreover, government jobs are stable."

Samir Fadil 'Abd-al-Jawad, who got a BS in geology in 1984 and who works as a typist at a private company, has said, "I wish to work in the government in the morning and then carry on with my current job after the official work hours because this job is a source of livelihood for me and my family. This is, in any case, better than going abroad."

#### Problem of Laws

Dr. 'Izzah Karim, a sociologist at the National Social and Criminal Research Center, has said, "In the youth's

mind, employment in the private or public sector has a specific significance and specific logic that are based on the Egyptian society's laws and circumstances. The pursuit of government jobs started with the inception of the 1952 revolution and with application of the socialist system. This system strengthens the government sector with laws that regulate it and ensure a stable monthly salary, insurance, and pensions in case of sickness or death. These laws do not permit the dismissal of a worker except under extreme circumstances, and they do not require full and conditional productivity. These guarantees motivate the youth to seek government employment. This is in contrast with the private sector whose regulations cause the youth constant anxiety, even though this sector's wages are high. But the wage may be unstable and may depend on profit. Moreover, the assurances that the private sector worker gets may not be enough to make this worker feel secure about his future and old age. Therefore, youth cannot be blamed if they are determined to pursue government employment.

"As for combining private and government employment, it can be excusable despite its numerous demerits—most significant of which is that the worker is required to exert a redoubled effort which could damage his health and cause him to be delinquent in performing his duties to himself, his family, and his society. Another demerit is that this worker denies other unemployed people the opportunity for real employment at a time when we are experiencing high unemployment. If we view this matter more logically, we can perhaps find an excuse for youth who do not wish to tackle the difficult task of balancing a rewarding income from the private sector on the one hand with security and stability from government employment on the other hand."

#### Wasteful Spending

Here, Dr. 'Izzah Karim raises another point connected with the same issue, namely the years spent by the youth while waiting for appointment. These years are either spent in true unemployment—and there is no doubt that 10 years of unemployment are sure to destroy the youth educationally and psychologically and to turn them into a time bomb threatening to explode at any moment because the youth feel intellectually empty and unable to contribute to society—or spent in a job totally unrelated to the youth's specialization and field of studies. Even though this is less harmful than complete unemployment, it is still an enormous problem because it represents money spent wastefully by the government. This is a problem because it means that all the money spent on the student throughout the various phases of education goes to waste and no benefit is derived from this spending. Moreover, the worker [graduate student] works in a job he does not like, to which he does not belong, that does not satisfy his identity, and that afflicts him with psychological diseases that make him want to retaliate against society. This is definitely a problem of a government that grants high school certificates and that does not create work opportunities to absorb people with

such certificates, despite the numerous work opportunities in Egypt. We should keep in mind that we live on just 4 percent of Egypt's area and that the other 96 percent remains unproductive and absorbs no manpower. Thus, the problem lies in the poor population distribution and not in population growth.

Finally, the sociologist at the National Social Research Center offers a prescription to overcome this crisis that Egypt experiences annually. She says that the solution lies in two things: first, have the government begin drafting public sector laws that protect this sector's labor at all levels so people will seek employment in the sector seriously and more courageously. The problem is a problem of laws and not of the nature of work in the sector.

Second, attention must not be confined to the overcrowded mother governorates but must be directed to the new governorates that are capable of absorbing the youth's capabilities and that can employ the youth and enable him to achieve immense productivity far from the government sector.

#### Minister on Regional Water Distribution

94LD0039A Cairo AL-SHA'B in Arabic 1 Apr 94 p 6

[Interview with Dr. Muhammad 'Abd-al-Hadi Radi, Egyptian minister of public works and water resources, by Salah Bidaywi; in Cairo, date not given—first six paragraphs are AL-SHA'B introduction]

[Text] A few short months ago, Dr. Muhammad 'Abd-al-Hadi Radi was put at the head of the Ministry of Irrigation [title as published]. He stated immediately after assuming his duties that Egypt does not have one spare drop of water it can give to the Zionist entity. He also launched extensive dialogues with Egypt's African partners in the Nile basin in order to realize his long-stated objective of cooperation among those nations.

Dr. Radi spent his youthful years conducting studies at water research institutions. Two years before he was given the [Irrigation] portfolio, he was given responsibility for the Encased Drainage Agency [title as published] and was selected to be deputy minister of irrigation.

The minister of irrigation told AL-SHA'B that he will provide water for only 2,500 feddans in Sinai through the year 1997 when work on digging the Peace Canal would have been completed. This means that in the absence of an alternative to absorb the present inhabitants of central Sinai, they would have to be evacuated, leaving the area as a ready-to-serve meal, which the enemy may readily gobble up. Studies, on the other hand, confirm that central Sinai holds enough subterranean water to irrigate 1 million feddans annually and to settle hundreds of thousands in dozens of new urban communities in central Sinai.

The minister reiterated his unwillingness to supply the Zionist enemy with a single drop of water and denied that it poses any threat to Nile sources or that it has attempted to pilfer Sinai water.

The minister said that the public interest of the motherland requires him to stay clear from the details of cooperation with the Africans [as published] and their relationships with the Zionists because all those concerned would get upset and do not believe that opposition media should exist in the Third World.

In point of fact, the minister was congenial to the extreme, but congeniality is not what national interests are about. I interviewed him twice for one and one-half hours, but he ultimately preferred to respond to written questions. I wrote the questions and left them for him. He answered and I left his office with his answers, but I was not totally happy with [his response]. I believe that his actions belied the esteem he professed for AL-SHA'B.

[Bidaywi] We were delighted by your recent statement that you refuse to allow one drop of water outside Egyptian [borders]. Would you elucidate for us the scope of the current Zionist strategy to envelope the sources of Arab water in southeast Anatolia and in the Ethiopian plateau? And what about Ethiopia's dams, foreign bureau studies in their regard, and their funding by international institutions? What are your views on the al-Salaam [Peace] water pipeline proposed by Turkey for the Middle East? What is new with regard to Zionist cooperation with Ethiopia and other nations of the Nile Basin?

[Radi] In all aspects of water resources Egypt focuses on the Nile as its main artery of water. Egypt's primary orientation, of course, is to foster constant and constructive cooperation with Nile Basin nations and to seek a suitable format for comprehensive cooperation in order to maximize the benefits of that river to all its peoples. We felt during our numerous meetings with Basin countries that all of them are likewise keen on the same objective.

In light of that keenness, the various countries of the Nile Basin have adopted positions rooted in non-interference with the strong fraternal relations that presently exist. Therefore, as far as we know, there is no foreign intervention with impact on the Nile Basin. We have no fear of that because our confidence in ourselves and in our brethren propels actions rooted in constructive cooperation that would serve mutual interests without abridging the rights of any party or undermining any of those rights.

As to Arab waters, the precept is that everyone should receive his entitlement and that occupation does not justify usurping the rights of owners of motherlands.

None of the studies and other research by foreign bureaus and others are mandates. They are merely personal initiatives by their sponsors. The basic notion is



respect for rights, commitment to principles, and organized recognition of water use.

The previously proposed al-Salaam Turkish pipeline project is a political project in the sense that we don't believe in its technical or economic feasibility. Desalinating sea water is more feasible technically and economically and can be done within a state's borders and would therefore be easily controlled.

[Bidaywi] Your studies published under the title "Water and Peace" discussed cooperation between Egypt and Nile Basin countries. Have you translated them into reality? How do the Africans justify their cooperation with the Zionists? What progress has been made in making water projects more productive in the Upper Nile? Also, what about the High Dam project, the removal of silt from its reservoir, and the true nature of refurbishment there?

[Radi] The primary objective of the "Water and Peace" studies originally published in 1985 was to alert domestic and regional public opinion to the urgency of water issues and to the value of organizing, developing, and safeguarding our water resources.

The studies also advanced a collection of strategies proposed by their author. We seek, within a context of integration and coordination with all the other agencies, to implement those strategies that are appropriate at this time.

We have already begun to move in that direction in Ethiopia, and we hope that such moves will be fruitful.

As to the question of silt in the High Dam reservoir, this is a matter currently under study by the Ministry's research agencies. Experimental projects will also explore uses for that silt and, once their viability is proved, will be implemented on a wider scale. It will be four or five years, however, before these experimental studies are completed.

We have talked a lot about the High Dam, which will ever remain the center of and the basis for development in Egypt. It has been proved beyond doubt that its negative impact, decried by some, has been very limited and is fully under control.

#### Important Issues

[Bidaywi] How do you assess Libya's Great Manmade River project and the dam that Sudan is building across the Nile? Do these two projects threaten Egypt in any way?

[Radi] The Libyan river is a project that the Libyan Government finds necessary to deal with water shortages and has therefore allocated for it all the funds it takes, without regard to economic value. Continued development and life require a shift of focus from economic feasibility alone.

The Nile Water Organization had previously debated the proposed al-Hamdab Dam project in the Sudan and concluded that it would be beneficial for the Sudanese people. The project does not abridge Egyptian rights as long as the amount of water utilized for it does not exceed Sudan's assigned water quota under its 1959 agreement with Egypt.

[Bidaywi] How do you plan to provide water for reclamation and agrarian development projects through the year 2000? What's new with the project to collect water at the northern lakes? How about the reservations expressed in that regard?

[Radi] The expansion and reclamation plan through the year 2000 calls for reclaiming some 1.6 million feddans, which would require some 8.8 billion cubic meters annually. Irrigation water will consist of drainage water, mixed with some 5.3 billion [cubic meters] of fresh water annually.

[Bidaywi] There has been a lot of discussion about the Peace Canal and its current track. Do you have confidence in that course and why? Also, how will it be possible to irrigate al-'Arish and central Sinai lands whose area is said to exceed 5 million feddans? What have you done about well-digging projects in central Sinai? What have you done with plans to dig wells in central Sinai and build dams so that the population is not forced out by the Peace Canal in the north? Is it true what expert studies have confirmed that the enemy pilfers 50,000 cubic meters daily of Sinai's subterranean water? How can this be dealt with and utilized to the benefit of Egypt? Do the Zionists have a role in the system for designing [as published] al-Salaam Canal and its networks? What exactly is the Ministry's role in that regard?

[Radi] Plans for Peace Canal to be built east of the [Suez] Canal were drawn by the Ministry of Water Resources in 1975. Another study followed in 1978 titled "Horizontal Expansion in an Area of 2.8 Million Feddans; Planning for the Canal." This is considered to be the optimum plan and [calls for] terminating the Canal at al-'Arish City.

As to Ministry plans for wells and holding dams in order to develop the region, 52 wells are being dug across central Sinai and will be completed over a five-year period ending in 1997 and will perennially irrigate some 2,500 feddans. The settlement of habitants have actually begun in al-Magharah, Jabal-al-Halal, Umm-al-Shahhan, and 'Arid-al-Naqah. We have also completed the construction of six underground reservoirs, with a capacity of 600 cubic meters each, in al-Jurafi Valley (al-Kantalah) in order to store rain and torrent waters for drinking purposes. Presently under study are 14 dams in al-Jurafi region which would make it possible to utilize rain and reservoir waters for irrigating certain areas and for feeding the underground reservoir instead of being lost to the sea.

About enemy exploitation of subterranean water—studies proved that there is no extraction across the Sinai border.

[Bidaywi] The International Monetary Fund is maintaining intense pressure on our country to exact a price for irrigation water, and the government is using all kinds of pretexts to delay action on issue. What are your views and why do Ministry of Irrigation agencies insist on metering the wells being dug on new lands? Are there plans to charge a price in the future?

[Radi] There are no current or future plans to charge for water, and this is final. Metering wells is an operational procedure to control water extraction and avoid depleting the wells or salinating their content. This in no way means a charge for the water. Let us emphasize once and for all that irrigation water will not be subject to a charge of any kind, now or in the future.

[Bidaywi] How about the development of irrigation networks in older lands? What system will be utilized? What will the costs be and how will they be covered? What progress has been made in the construction of encased drainage networks and in the agrarian utilization of encased drainage water and subterranean water?

[Radi] The main objective of developing irrigation networks in older lands is to reduce water loss and consequently raise the efficiency of irrigation systems.

Some 390,000 feddans are undergoing development, and the project will save some 3 million cubic meters of water by the end of plan when the development is completed of about 4.7 million feddans in Lower Egypt and al-Fayyum. The cost of developing the 390,000 feddan area is estimated at about 1,800 Egyptian pounds per feddan.

As to encased drainage networks, the Ministry's plan hopes to supply some 5.6 million feddans of farmland with encased drainage networks at a cost of 875 million Egyptian pounds. Public drainage facilities will also be deepened and enlarged at a cost of some 820 million Egyptian pounds.

[Bidaywi] Do any relations exist in any manner between Ministry of Irrigation agencies and the Zionist entity? If so, what are they and what are their purpose and objectives? Were any mutual cooperation projects brought to your attention?

[Radi] The relations between counterparts anywhere in the world are based on mutual interests and the realization of assured benefits, provided there are interrelated interests and also interrelated circumstances.

Egypt's water systems are different from all other such systems in the region and consequently no areas of potential cooperation currently exist.

[Bidaywi] Farmers were surprised at your cooperation with the Ministry of Agriculture and we were all happy as a result because of the benefits that would accrue to our

beloved Egypt as it suffers a severe irrigation water shortage that has already caused great harm to wheat crops in Lower Egypt and Bani-Suwayf. What is the real cause of the crisis? Has it dissipated?

[Radi] There were two main reasons for the water crisis that occurred. The first was that the country's weather was unusually warm this year and temperatures were higher than their mean. The second was that the customary amount of rain did not fall on Lower Egypt this year. Meteorological measures indicate that rain fell considerably short of its mean. The two factors together caused a considerable and unusual depletion of farmland soil moisture, causing farmers to double the amount of irrigation water used in previous years. Add to this the psychological state of farmers, which also led then to higher water consumption.

[Bidaywi] Does the Ministry of Irrigation have any fiscal problems in funding the al-Salaam Canal project?

[Radi] Funding for all irrigation projects in general is adequate for the time being and will be increased in the future as our needs increase. The al-Salaam Canal has no funding problems.

[Bidaywi] How about Ministry of Irrigation relations with the Sudan and with other Arab states?

[Radi] Ministry of Irrigation relations with the brotherly Sudan have since the dawn of time been fraternal and based on mutual benefits linked by Nile waters. As to the other Arab states, technical cooperation exists at the highest levels of various Ministry departments as do exchanges in the fields of training and technical expertise.

#### Minister on Future of Tourism

94LD0041A London AL-MAJALLAH in Arabic  
16 Apr 94 pp 45-47

[Interview with Minister of Tourism Dr. Mamduh al-Biltaji, by Sa'id Shalash in Cairo; date not given—first two paragraphs are AL-MAJALLAH introduction]

[Text] When Egypt's political leadership selected Dr. Mamduh al-Biltaji, the Public Information Authority chairman, to be appointed minister of tourism in Dr. 'Atif Sidqi's latest cabinet, some people wondered about the connection with tourism of a man who has spent his entire life in the information field. For tourism to be successful, it has to be managed by an economist. Those who hold this opinion are justified, especially since Dr. al-Biltaji has assumed responsibility of the Ministry of Tourism after one of the most successful ministers of Dr. 'Atif Sidqi's cabinet, namely Minister Fu'ad Sultan who was able to realize for Egypt a revenue of \$2.5 billion from tourism in 1992. Minister Sultan encouraged the private sector to invest in tourism, thus giving it a great boost. He was also the first man to call for specialization in the tourism sector. Sultan is a well-known banker who is acknowledged for his capability.



What many do not know is that the new minister of tourism has a doctorate in economics and another in political science. With his experience in information, Dr. al-Biltaji has mastered the art of dealing with domestic and foreign media people as a result of long years of work (17 years) that have tied him to these people. Such a man is needed now, especially since Egyptian tourism is experiencing a deep crisis that has reduced tourism revenues from \$2.5 billion to \$2.1 billion. This crisis has resulted from the terrorist acts that have been perpetrated in Egypt. The Western media has played a major role in exaggerating these acts. As a consequence, tourism firms have excluded Egypt from their program for this year. However, there is an \$42-million plan to make up for these losses, according to Dr. al-Biltaji. Following is the text of the interview:

[Shalash] Since you assumed responsibility of the Egyptian Ministry of Tourism, you have been declaring that this ministry seeks to turn tourism into the locomotive pulling Egypt's development and that you will enhance tourism, which has been in a crisis as a result of two consecutive blows: the Kuwait liberation war and the terrorist acts of the fall and winter of 1992—acts which persist to this day. So, how do you envision accomplishing these goals, and how will tourism become the development locomotive in a country with a population of 60 million people?

[al-Biltaji] When I said that tourism is the locomotive that pulls development in Egypt, I was fully aware of what I was saying. I still say the same thing and I work for its implementation. I mean by this that tourism isn't just a railroad car in the development train but the locomotive that pulls the entire train, without replacing any of its cars. The foreign currency revenue basket is supplied by three elements, namely: the Suez Canal, remittances from expatriate workers, and tourism. Tourism possesses characteristics that make it eligible to outdistance and surpass other small elements of foreign revenue, because tourism is an immediately exportable product. Consequently, the element of time is, in this case, immediately embodied economically and financially. In other words, I can export tourism immediately, because the product is ready. This is the first thing.

Second, tourism, remittances from expatriate Egyptians, Suez Canal revenues, and oil revenues constitute altogether the four elements of which the big-four assembly consists. The difference is that tourism is not depletable, has no ceiling, and isn't susceptible to labor market fluctuations.

Third, tourism is a labor-intensive industry, meaning that one tourist creates work opportunities for 1.7 citizens. There is also the so-called tourism multiplier. This multiplier is a very large group of industries and crafts that develop and grow the more active tourism becomes.

Tourism isn't just hotels, restaurants, airplane tickets, and buses, but also an integrated number of industries: moquette, rugs, chinaware, bed covers, tables, spare

parts, soap, and detergents. This means laborers, carpenters, boatmen, smelters, plumbers, machinists, drivers, cooks, and employees.

[Shalash] What are the true losses that have emanated from the crisis Egyptian tourism is experiencing?

[al-Biltaji] Last year, 1993, we lost \$1.5 billion. In 1992, revenues were \$2.5 billion. Perhaps the serious nature of the terrorist acts and their reverberations in the Western media have intensified the crisis of Egyptian tourism and resulted in a big drop in the demand for Egyptian tourist sites. This crisis has motivated some tour organizers and international tourist firms to exclude Egypt from their marketing programs. If demand continues to be low, Egypt will continue to be excluded from international marketing programs (group tours), and this would harbor serious harbingers of future demand, and even of future investment in the Egyptian tourism sector. Subsequently, the other sectors tied to the tourism sector, such as vocational, industrial, commercial, and banking activities, will also be affected.

[Shalash] What is your plan to boost tourism in the coming phase under the canopy of attacks that continue to be committed against tourists in Upper Egypt?

[al-Biltaji] Terrorist acts against tourists are few if compared with other countries where similar incidents occur. To date, only three tourists have been hurt. I blame the Western media, but not all of them, for the way they describe the incidents. I have actually met with foreign reporters in Egypt and explained to them the dimensions of what has happened. There is a demand on the international media to make the scoop and to be the front runner in reporting developments. If information isn't supplied to the media, they will gather it from any source that may misinterpret the information and may misdirect it. Every media person has an urgent need for information, and one can either provide him with the information or he will gather it any way he can.

The plan to boost tourism that we have drafted for 1994 is based on increasing demand and on promoting the investment and development opportunities in our tourist areas. The plan also offers projects in these areas to likely investors all over the world, meaning that it promotes the demand side and exerts efforts for the supply side in the tourism equation. The plan devotes concerted attention to boosting demand in six major international markets that export tourists to Egypt, namely the United States, Germany, Italy, France, and Japan [no sixth market mentioned].

[Shalash] What is this plan's total budget?

[al-Biltaji] It is estimated at \$42 million.

[Shalash] How will this sum be secured?

[al-Biltaji] From the state's public treasury, the Tourism Fund, and the private tourism sector. The government has actually agreed to supply the full sum, and implementation of the plan has already started. By the end of

1994, the plan seeks to achieve the peak revenue of 1992, i.e., \$2.1 billion instead of the \$1.3 billion achieved in 1993.

[Shalash] What will be the focus of activity in the targeted markets?

[al-Biltaji] To amend Egypt's image; to put terrorist acts within their correct context and dimensions; to appeal to the consumer directly through television and through specialized and unspecialized major press and news agencies; to strengthen the bond with conventional channels of distribution, such as tour organizers, travel agents, incentive-offering houses, conference organizers, and airline associations and companies; to enhance the standard of materials used to boost sales; to implement a program to market the Egyptian tourist product; to utilize the system of tourist convoys; to participate in international conferences; to draft a well-studied program to invite leaders in the field of tourism; and to establish a mechanism for periodic followup.

[Shalash] Where does Arab tourism fall on the Egyptian tourism-boosting map? Has Arab tourism been affected by the latest terrorist acts, and has the Arab media performed the same role performed by some Western media?

[al-Biltaji] The Arab market has its special characteristic and it is an important market in exporting tourists to Egypt. The plan takes into account the need to exert concerted efforts in this market, using the proper instruments, such as tourist convoys and host programs. The plan also takes into account intensified contacts with official and professional circles and increased reliance on the satellite television channel and on Egyptian radio and press. At the same time, the plan disregards some high-cost promotion instruments, such as television commercials, press advertisements, and tourism-promotion offices. This is why we have decided to shut down the Egyptian Tourism Office in Kuwait.

Arab tourism to Egypt represents 40 percent of the international tourist traffic coming into our country. The effect on Arab tourism has been slight when compared to the drop in other markets.

The Egyptian minister asserted that the importance of Arab tourism to Egypt surpasses economic and social considerations. Tourism is a main element that bolsters solidarity and understanding, and "we urge Egyptian citizens to go for tourism in the Arab countries, because an Arab tourist in Egypt and an Egyptian tourist in the Arab world is a citizen primarily. An Arab tourist in Egypt is a first-class citizen and a tourist who comes to his history and his environment and who deals with a society that favors and welcomes him.

As for the Arab media, they have been committed to the truth since the start of the terrorist acts, except for a few. I meet with Arab reporters in Cairo, and I have been tied to them by good relations, since I was head of the Information Authority throughout recent years.

[Shalash] You have signed an agreement with Israel and Turkey to establish the East Mediterranean Tourism Organization. But there are fears that Israel will deal a blow to Egyptian tourism in particular. Fears abound these days among ordinary Egyptians that Israel has had a role in the latest developments [terrorist acts], especially since the success of ASTA [American Society of Travel Agents] 1992 and Egypt's excellent rise on the world's tourism map have disturbed many of the region's tourist countries?

[al-Biltaji] There is absolutely no fear of cooperation with Israel in this regard, because Egypt's tourism resources are unrivaled. Egypt possesses one-third of the world's antiquities, and it possesses natural elements, such as sun, air, shores, and hospitable people, that are rarely found in another country.

[Shalash] What is tourism's position in the political leadership's mind?

[al-Biltaji] President Mubarak devotes great attention to tourism, and he goes personally to tourist sites in Luxor and the Red Sea to encourage greatly tourism investors visiting Egypt.

[Shalash] Tourism development activity in new tourist sites was at the peak of success prior to 1993. Has investment and development activity declined by the same degree as tourist numbers and tourism revenues?

[al-Biltaji] Investment activity hasn't been affected by the latest developments. The government has issued a number of laws and regulations that ensure that the wheel of development keeps on turning and that encourage the private sector to participate effectively in this area. Incentives include free foreign exchange transactions and unrestricted remittance of profits to the outside world; the right of non-Egyptians to fully own investment projects; tax exemptions for profits emanating from tourist project expansions; and exemption from the proportionate revenue tax, from registration, documentation, and announcement fees for all contracts connected with the project. The incentives also include the levying of a uniform customs fee amounting to 5 percent of the value of goods and equipment imported for a project. Moreover, the incentives make it impermissible to seize or confiscate the assets of investment firms and give these firms the right to re-export their full capital.

The above incentives come on top of other facilities, such as sale and lease to investors at token prices, the investor's freedom to determine the price of his services and his profits without intervention by the government, and the easy and prompt acquisition of approvals and permits for tourist projects.

[Shalash] The Ministry of Aviation has been separated from the Ministry of Tourism in the latest Cabinet. The Civil Aviation Authority has been placed under the control of the Ministry of Transport; Cairo Airport and Air Egypt have been placed under Cabinet control.

Moreover, tourist companies and hotels have, under the canopy of the new specialization laws, been placed under the control of the public business sector. Will this result in lack of coordination between these sectors, even though they all serve the same thing, namely tourism, or is there coordination among you?

[al-Biltaji] Coordination is extant and ongoing. We all cooperate for what is in the interest of Egypt and its prosperity. When a problem develops, we do actually form a joint aviation-tourism committee to examine it.

[Shalash] Give me an example.

[al-Biltaji] There is the "chartered" flights problem that developed recently when the Civil Aviation Authority refused to permit tourist-carrying "chartered" flights to land in al-Ghardaqah on the grounds that laws don't empower it to permit such landings. I intervened immediately and the flights were permitted to land because the interest of tourism comes first. The committee we formed of the Ministry of Tourism, the Aviation Authority, and Air Egypt drafted rules to regulate "chartered" flight activity in a way that ensures the national company's right, i.e., Air Egypt's right, and the rights of the Egyptian and foreign private sector companies. I believe in the policy of open skies.

[Shalash] It seems from this interview that you are more optimistic than you should.

[al-Biltaji] Yes, I am optimistic. Egyptian tourism activity will regain its normal rates soon.

### Nuclear Power Plans Considered

94LD0041B Cairo AL-SHA'B in Arabic 5 Apr 94 p 4

[Article by 'Adil al-Bahnasawi: "While Awaiting Political Decision, Energy and Oil Experts Urge Government To Adopt Nuclear Plan and To Implement It Immediately"]

[Text] AL-SHA'B continues to sound the alarm regarding one of Egypt's most important economic and social independence issues, namely the issue of our peaceful plan to generate electricity from nuclear energy. The Egyptian Government closed this plan's dossier under pressure from a number of international circles, despite repeated appeals by Egyptian nuclear energy experts stressing the inevitable entry into this strategic field.

At the end of last month, the Arab Mining and Petroleum Association held a symposium, entitled "Energy and Constant Development Challenges," that was attended by a large number of petroleum, electricity, and nuclear plant experts. They included Dr. Hafiz Hajji, chairman of the Nuclear Plants Authority [agency name as published]; Dr. Nabil al-Hadhiq, chairman of the Nuclear Materials Authority; Dr. Mustafa Suwaydan, deputy chairman of the Egyptian Electricity Studies Authority; Engineer Mahmud Sami Zaffun, chairman of

the New and Renewable Energy Authority; Dr. Husayn 'Abd-al-Muhsin, former chairman of the Nuclear Materials Authority; and a large number of people concerned with energy in Egypt.

Most of the experts' debates were on the issue of nuclear energy in Egypt. Upon concluding its meeting, the first recommendation the symposium made was that it is inevitable that we enter the nuclear age peacefully as of now so we can meet the coming oil shortage in Egypt. The same thing was stressed by petroleum experts who announced that Egypt's oil reserves will hardly last 30-40 years. Some experts referred to the petroleum minister's statement that "oil reserve is a dynamic reserve, meaning that it increases at times as a result of new finds." These experts have said that even if the reserve increases as a result of new finds, it will be depleted some day, and this has been confirmed by the reports of Egypt's Higher Energy Council.

Dr. Husayn 'Abd-al-Muhsin, former chairman of the Nuclear Materials Authority, said that officials must move promptly to make the political decision immediately because we already have studies in place. Moreover, it is important to begin implementation now because the construction of a nuclear plant takes 10 years, considering that bids have to be invited and agreements concluded, all of which takes years. This is what makes us declare that this plan has to be started now.

In this report, AL-SHA'B presents the latest developments it has learned from the statements of nuclear energy experts, especially since officials use the two points of "cost and nuclear safety" as an excuse to kill this plan.

First, the point concerning the plan's costs; a high-ranking nuclear energy official has disclosed to me that financing is secured by Law No. 45 of 1975, in accordance with which President al-Sadat set up the Alternative Energy Fund in 1975 to finance the nuclear power plants project. At the time, the fund had \$700 million, which has now risen with interest to more than \$1.3 billion. This fund's revenues are not touched by the government because it was set up especially for nuclear plants.

The official has said that a number of countries are in the process of concluding contracts for nuclear plants, especially for the Cando [design] from Canada. These countries include South Korea (three plants) and Romania (five plants). Turkey has also initiated steps and contacted the Canadians to build a power plant, and so has Indonesia, because these plants are distinguished by their lower cost and their high degree of safety.

The official added that the cost of this plant is \$1.35 billion, which will be divided as follows:

- There is an existing plan for the possible manufacture of some parts of this plant locally, in cooperation with the Canadian Atomic Energy Agency. A number of



domestic Egyptian firms have been comprehensively surveyed. What this means is that we will contribute at least 25 percent in Egyptian pounds.

- The second point is that the Alternative Energy Fund has enough at present to purchase this plant, whose cost does not have to be paid all at once. If we consider the matter, we will find that we will have to pay just \$160 million annually. This means that we will take only \$600 million from the Alternative Energy Fund and that we will acquire the rest in bank interest.

In addition, Egypt has at present programs to transfer Canadian technology in this particular area so as to strengthen domestic industry. The Nuclear Plants Authority will study anew the types of raw materials available and will conduct a survey of construction companies that can contribute to building a nuclear plant. This program will determine the percentage of domestic participation.

Nuclear energy experts surprisingly revealed that Bechtel, a U.S. firm, has applied to the Ministry of Nuclear Energy to cooperate with Canada and the Nuclear Plants Authority and that it has, according to an expert, received the "go-ahead signal" on the grounds that "Egypt is a signatory of the nuclear weapons nonproliferation treaty."

The second point used is the "nuclear safety" point, especially since the Egyptian Government has used the incident at Chernobyl—a Russian reactor that did not meet minimal safety requirements and where the people in charge of operating the reactor made a mistake—as a justification to kill this plan.

Dr. Hafiz Hajji, chairman of the Nuclear Plants Authority, has said, "High levels of safety have been developed in nuclear plants. It is sufficient to know that the Canadian-made Cando is distinguished by the fact that the possibility of reactor core meltdown is absolutely nonexistent because Cando's cooling systems are highly sophisticated, contrary to the PWR [pressurized water reactor]. Moreover, this plant's operation is computer-controlled and the plant has two independent safety systems."

Dr. Hajji added, "This safety issue is over. As an example, I will note in this regard the earthquake that hit Los Angeles recently. A report published by an international magazine says that nuclear plants are the only plants that were not affected by the earthquake and that withstood it and continued to supply the state with power, whereas gas and coal-operated plants came to a halt. Moreover, the United States, Germany, and France are developing safer reactors so as to achieve greater assurance and safety. So, there is absolutely no problem."

Dr. Hisham Fu'ad, deputy chairman of the Atomic Energy Authority, has said, "Experts are in a poor psychological state and there is increased fear that specialists in nuclear technology will flee to other countries.

I don't wish to repeat what I have already said about nuclear plants meaning life. They supply us with electricity and they involve great technology, in which we should absolutely not lag behind. These plants also contribute to development in all areas, including agriculture and industry, and they are used for sea water desalination."

Dr. Fu'ad added regretfully, "At a time when we kill the plan with our own hands, we find that Israel works systematically; that it has future plans; that it uses its reactors for the military; and that it is now trying to build a powerful reactor for electricity production. We have reiterated this fact again and again, but who is listening?"

The truth has actually been reiterated again and again. But nobody has listened. It is sufficient to restate that, while inaugurating a nuclear power plant two weeks ago, China's prime minister said, "there will be no recurrence of another Chernobyl catastrophe."

## Arab Satellite TV Broadcasting Increasing

### Competition Stiff Among 14 Stations

94LDOO37A Cairo AL-MUSAWWAR in Arabic  
1 Apr 94 pp 46-49

[Article by Adel Sa'ad: "War of the Satellite Channels in the Arab Skies!"]

[Text] During the last few months, the undeclared war between Arab television channels for control over the satellite world has intensified!

It started with the transmission of the Egyptian satellite channel, and in one year, the number of Arab satellite stations reached 14. Their number is expected to reach 28 in the next five years

Thus the competition has intensified, and the confrontation has multiplied in the war that men with neckties and white collars and beautiful women announcers are waging directly in the air

What is this conflict?! Has the map of media leadership in the region changed? And what is the role of Egyptian production [facilities] and of Egyptian television along with its rich archives in this frantic Arab competition for the world of space?

First, we must admit that there are no satisfactory answers to all these questions. The fact is that this Arab rivalry is a collection of puzzles and filled with mystery.

On this basis, we will try to get acquainted with this subject through meetings with the people responsible for some of the satellite channels—Egyptian and Arab—and those in charge of television production work, despite their discrepancies.

### The Air Wars

In mid-October 1994, the trial transmission of ART [Arab Radio & Television] television on four separate channels began from Rome. An Italian television company had gone broke, so the owners of ART television bought it and rented four channels on the Arab Arabsat D.I. [expansion not given] satellite at a rate of \$1 million annually for each channel! The Arabsat D.I. satellite carries 13 satellite channels reserved completely for renters through Lebanese, Saudi, and Gulf agencies. The first of the channels is the Lebanese "Future" channel that began trial transmission and then was stopped by the war in Lebanon. Another leasee is the "Resources" group that has been getting ready for several months to start transmission on four channels. It is composed of a group of Saudi businessmen!

The top managers of ART television are Shaykh Salih Kamil and Shaykh Walid Bin Sulman. The management of the four channels is distributed as follows: Samia Sadiq is the president of the general purpose channel, Mona Gaber is the president of the children's channel, Muhammad Yasin (Lebanese) is the president of the Arab and foreign films channel, Ali al-Bunud (Saudi) is the president of the sports channel as a backup for the broadcasts of Salah Zaki, who presented his resignation before the start of trial transmissions. There is also Hamdi Quandil, the regional representative, who handles the company's relations with the international organizations and associations!

Hamdi Quandil summarizes the most important characteristics of ART television as follows:

"Currently, the average daily broadcast is for 15 hours per channel, except the children's channel, which is linked to the children's schedule because it receives television programs at fixed times. Among our future goals is 24-hour transmissions, except for the children's channel, which will operate between 12 and 15 hours a day.

There are several companies providing private television support for ART channels like the Arab Production Company in Cairo. There are also other production centers in Tunis, Jordan, Saudi Arabia, Bahrain, and Lebanon. ART television does not offer any news programs or news transmissions, especially since most of the other Arab and foreign satellite stations are already doing it."

I asked him why the Arabs go to Europe for satellite transmission and why specifically to Italy?

[Quandil] We wanted to broadcast ART television from Cairo. We submitted actual requests, and we negotiated with the Ministry of Communications, but circumstances didn't permit!

[Sa'ad] Which circumstances, and what is the reason for the lack of agreement?

[Quandil] The truth is that the request was not approved, and I still don't know why!

[Sa'ad] There is a charge that ART television overpays its business partners, as though it were trying to pull the rug out from under the feet of Egyptian television.

[Quandil] This is not true, because we benefit from the financial regulations of Egyptian television and our rules don't permit payments more than 10 percent above the Egyptian television [schedule].

[Sa'ad] Why do you believe there is the increased interest in satellite stations in the Arab region?

[Quandil] Arab investors are realizing the importance of investing some of this capital in this field!

[Sa'ad] What is the rate of return that the Arab investors are deriving from these channels?

[Quandil] Income is from the advertisements and subscriptions. We expect each one of these private channels to encrypt its message, just like the news channel CNN. So far no Arab channel depends on subscriptions; most financing is from advertisements, especially since the volume of advertisements and their price go down when subscription charges begin.

[Sa'ad] What is the future of these many channels, and can the advertisements cover the cost?

[Quandil] These channels are like any other project—they are exposed to profit or loss and in constant need of great economic expertise and outstanding experience. Although I am sure that some of the Arab satellite channels will go broke, I am also sure that many more channels will appear over the next few years!

[Sa'ad] Is it correct that there is a war between these channels?

[Quandil] Without a doubt. There is sharp competition, and survival of the fittest, at least for the private channels. Because countries can support their stations to maintain their national prestige, because, unlike the private companies, the governments do not depend on money alone!

There are now 14 satellite channels in the Arab region as follows: Egyptian, MBC [Middle East Broadcasting Center], four channels of ART, Moroccan, Amman, Tunis, Abu Dhabi, Dubai, Kuwait, Qatar—which began trial transmissions one month ago—and Jordan.

This, in addition to a number of other land-based stations that are waiting for the opportunity to break into the satellite world. For example, in Lebanon there are 34 [local] television stations available, plus the "closed cable" systems that are present in a number of Arab countries. The first of these countries is Dubai, which operates three television systems: land-based, satellite, and closed cable.



Note: The Dubai station's broadcasting hours approach the hours of television broadcasting on all of the channels of the Arab Republic of Egypt, from the first channel through the seventh. Dubai has the first channel; the foreign channel; the satellite channel; and, on the closed cable system, the educational channel and the information channel; and the trial stations for sports and films. And, during this past Ramadan, Egyptian television entered as a partner into production of the "Qays and Laila" series, which Dubai television produced for broadcasting on Egyptian television!

### Crowding in Space

'Amar Al-Lagthi, president of the MBC, thinks there is a difference between government and private channels, because the government channels have strategic goals, the most important being its presence outside the political borders!

He adds that the government satellite stations have an economic advantage over private television stations because the state channels have a source of television materials from the land-based channels which feed them programs and products. MBC, however, needs to do everything because it doesn't have the backup stations on the ground. Even marketing these products has been a problem. It is assumed that the broadcasting of material comes first, but their marketing is hard in countries that have seen them by way of the dish, and we are forced to sell at reduced prices, except in one instance—that we agree with a number of stations to all broadcast the same program at the same time, as happened with "The Riddles of Samir Ghanim" last Ramadan.

'Amar al-Lagthi confirmed that most of these private stations depend first and foremost on advertising, because private stations can only depend on subscriptions if they offer different content from other stations. The fact is that all the Arab satellite channels have similar content!

[Sa'ad] I observed that the Kingdom of Saudi Arabia issued a decision forbidding the use of the dish, and asked how advertisers can agree to pay an advertising price when Saudi Arabia doesn't receive it?

[al-Lagthi] I believe that Saudi Arabia forbid the dish, but it supplied the alternative cable system which permits receiving some channels and not others.

[Sa'ad] Also, there is an accusation that you are contracting with the Egyptian television workers for higher sums of money. Is this true?

[al-Lagthi] We are working with movie producers not television staff, and we respect the decisions of Safwat al-Sharif, minister of information, that forbid doing business with two stations at once. Therefore, we didn't make use of any current broadcaster. We decided from the beginning to give the opportunity to unknown young

people, because broadcasters are a part of the personality of the channel and it is not permissible for them to appear in multiple stations!

I don't deny that our prices are high, for a simple reason: We are the private sector. The difference between our prices and the television prices is the difference between work in the government and work in the private sector.

[Sa'ad] Is there a "satellite war" now between the Arabs in the area of satellite channels?

[al-Lagthi] No. But there is a satellite crunch. That's all. Nothing else. The reason being that the volume of television production in the Arab world has not risen in spite of the additional channels. The channels that will last are those that set up television production facilities and studios. MBC plans to establish television studios. Egyptian television is still the leader in this area. It owns the largest production base in the Arab region. I hope all the Arab owners of these channels will unite to complete the studios project in the 6 October City so they will be exploited to expand the production base, increase the labor force, and improve the Arabic media tools, because we assume that our goal is the same—to fight off the foreign satellite channels and to lure the Arab viewers away from them.

### Outside the competition

Suhayr al-Atribi, president of the Egyptian satellite channel, said that there is no decision forbidding doing business with the Arab channels, with the exception of the broadcast announcers. This is the situation inside Egyptian television itself, which forbids an announcer who works on one channel from appearing on another!

Suhayr al-Atribi sees no danger from these channels for Egyptian television because they basically do not compete. And in the last opinion polls of the Kuwaiti newspaper Al-ANBA, the Egyptian satellite channel was ahead of all the satellite channels during 1993!

[Sa'ad] The Egyptian satellite station is supposed to be supported by Arab advertising in the geographical areas that use it. So, does this happen?

[al-Atribi] In our new plan Mr. Safwat al-Sharif, minister of information, promised that the satellite channels would transmit to the United States of America and agreement has actually been reached. As for advertising, I believe that the entire Arab region is competing to advertise [in Egypt]. There is a Saudi-American agency that bought the advertising of the Egyptian satellite channel. Every Egyptian is entitled to advertise with us through the economic production sector. Advertising is continually increasing. When I took charge of the channel in 1992, advertising was 15 seconds daily. It has now risen to 72 minutes daily!

[Sa'ad] There are also accusations concerning the quality of the satellite channels and the news they offer!

[al-Atribi] The news on the satellite channel is not my speciality. So far we get the news from the central television news [service]. When I took over the channel, Mr. Safwat al-Sharif told me I was to be responsible for the programming only. As for the news, it will arrive ready made from the television news [service].

[Sa'ad] Is this channel to have a different status, and is it supposed to be provided with a number of correspondents in the Arab world to cover real-time news and transmit it immediately?

[al-Atribi] This question is above my competence. Generally, I try to cover the Arab world by following the meetings and activities that occur in Cairo. Also, the [Egyptian] satellite channel has begun to show 25 percent of the programs that are produced for it on an exclusive basis, because our study confirmed that some programs are only of local interest.

[Sa'ad] Suhayr al-Atribi, what is the satellite channel's policy in light of the prevailing competition, and what is your opinion of the decision forbidding the dish in Saudi Arabia?

[al-Atribi] I don't think about the competition. We just work and, thank God, we have what we need and no one can compete with us. As for the issue of the dish, I asked and they said that the Egyptian satellite channel will not be abolished. Saudi Arabia will bring in the cable system and I believe that the Egyptian satellite channel will be among the first of the channels that will be included in this system.

The president of the production sector, Mamduh al-Laghi, said that the decision of Mr. Safwat al-Sharif, minister of information, is a basic organizational process. Egypt is rich in the expertise of its young people, and it doesn't withhold its expertise from any Arab state. Rather, it supports them culturally and in production. The decisions aimed at guaranteeing the level of wages and protection of our work secrets and our television archives from every temptation. Thus, the goal is regulation and not forbiddance.

He added that Egypt, its production sector, the television union, and the Egyptian media are beyond Arab media competition, because Egypt has organizational and technical capabilities and a history and literary wealth unlike anything in the region. We do not compete with anyone, but we support the Arab brothers, and this is not arrogance or a type of pride.

[Sa'ad] [addressing al-Laghi] But the Arab stations pay much higher prices than the television production sector?

[al-Laghi] If it were only that... Money isn't everything. Believe me, any artist thinks it over carefully when he knows that his work will be seen by a wide audience in Egypt. Yes, there are material temptations, but there is a very important spiritual burden for the artist, and his value is limited here in Egypt. His income level in the

future will also be limited here. His work in Egypt is what will limit his earnings elsewhere!

[Sa'ad] But is there a fear of a brain drain to these television stations?

[al-Laghi] No. This is also not true, as is evidenced by the fact that we have been working in the production sphere for 34 years, while these stations were also producing television productions. And if you consult the list of names of artistic productions that were produced outside of Egypt and stuck in the minds of the Arab viewer, you will find them not exceeding two or three productions. Muhammad Fadil directed them and Mahfudh Abd al-Rahman wrote them, i.e., directors and writers of Egyptian television. At the same time, there are names of thousands of important dramatic works that Egyptian television has produced!

[Sa'ad] What is the size of the production of the production sector and the broadcasting and television union as compared to the production of the Arab satellite channels?

[al-Laghi] I believe it is more than five-fold what all the Arab channels produce collectively.

#### The First Egyptian Satellite

Amin Basyuni, president of the broadcasting and television union, preferred to speak about the evolution of Egyptian television after clarifying that there is no danger to the role of the Egyptian satellite channel from competition like the following:

The Egyptian media is working toward and has its sights on the future. Recently, Mr. Safwat al-Sharif prepared a study on the project to launch the first Egyptian satellite that would provide more media services for culture, education, and training. During the next few days, the study of the project will be presented to the Council of Ministers.

Currently, Egyptian television makes use of the fiber optics system for transmission of the broadcasting and television service, in addition to microwave links. This helps make the picture clearer. And we started their propagation from our transmission stations!

Egyptian television now uses the digital system. It is the most modern television technology. It is what is called overseas high definition television. It means programming of receivers and transmission stations and recording by a high precision and high definition system. It is the most recent international experiment in the field of communications.

[Sa'ad] Some people think that there is a fear of losing the television archives to other satellite channels.

[Basyuni] The tapes of the archives come and go by a system of regulations, and no television tape can be taken outside of the building even if it is empty. The owners of these channels can buy what they want from

the archive officially through the television and broadcasting union and at fixed prices, and there is never any business conducted behind closed doors!

[Sa'ad] What were the reactions to the decision of Mr. Safwat al-Sharif, minister of information, to prohibit television staff from contracting with other television stations?

[Basyuni] First, I want to clarify something important. There is a difference between duty and cooperation. We do not permit anybody to combine two posts at one time. This is an Egyptian labor law. Secondly, we have allowed our staff to do business with these television stations on the condition that management is sure that it doesn't affect the amount of effort given to basic television assignments. Anyone who wants to occupy a post in one of these television stations can submit a request for rotation or resignation. These are the facts of the decisions, removed from any conjecture!

[Sa'ad] Why are there no systematic arrangements with the owners of these channels?

[Basyuni] There is actually an existing arrangement through the Arab Broadcasting Union whose headquarters is in Tunis and which belongs to the Arab League. There is a permanent committee of this union that is composed of authorized representatives of the Arab information ministries. It presents its reports to the Conference of Arab Information Ministers. Thus, there is coordination at the highest level. But the problem currently is that these committees work for television cooperation between the Arab government stations. The private stations need to participate in this integral web!

For example, the Arab television stations have had difficulties for many years in communicating with each other to exchange media feeds due to rising media charges. Recently, an Arab satellite channel was rented for media exchange between all the Arab stations. Every Arab television is to send three packets—news, culture, and sports—via this channel which receives and retransmits them to any Arab channel requesting them—without reciprocity. The permanent committee is responsible for the channel's rent, which amounts to 1 million [Egyptian] pounds annually!

There is another side to the picture—the producers' side. Ibrahim Abu Dhikri, general secretary of the Arab Distributors and Producers Union for television productions made it clear that the producers have several reservations concerning the nature of business with the satellite channels, such as the following:

In the past, the land-based stations contracted to buy the producers' works. With satellite transmission, the television product is transmitted over a wider geographical area. This has led to problems with the producers for the following reasons:

The producer used to sell a single work to two or three countries. With the satellite channels, the producer sells

just once to a channel that covers all of this area and pays approximately the same price as a single country!

The producers confirm that [using] the old contracts is absurd and that the agreement does not specify this wide geographical area.

The satellite stations are deriving their authority from documents written as contracts for intellectual property.

The Arab intellectual property is not used on the satellite stations as it is on its foreign counterparts. For example, the foreign serial is shown for the first time at full price. The second time, at half-price, and its use ends within a specified time period. The Arab stations are obligated to do that, but they don't work with the Arab intellectual property in this way. They buy it once and use it forever!

Currently, we are preparing a detailed memorandum on these problems to present to the Permanent Committee on Arab Media of the Arab League to be raised at the Arab Information Ministers conference this coming July in Cairo!

The current situation is causing many problems with distribution. All of the old schools of marketing have died, and another, unknown language has risen.

The strange thing is that these situations themselves are producing television productions and they know how much they cost. If a station can produce a program for \$20,000, and can buy it ready-made from the producer for \$3,000, is that reasonable?!

What is even stranger is that some of the satellite stations strip the distinguishing logo off the satellite channel material so that the producer that sold the literary work to the land-based station can protest in spite of the fact that the intellectual material is broadcast by satellite!

#### A Last Word

These are not the only words that were said on the issue of the future of the Arab satellite channels. Perhaps what helps to understand these puzzles is this strange succession and competition for buying ownership of Egyptian technical products and the invasion of the world production!

The most recent news of the satellite channels now is that last week Shaykh Salih Kamil bought all of Jordan's studios, and it is anticipated that he will buy Lebanon's studios also. It is expected that these studios will be the site of the sports channel belonging to ART television.

A number of television producers adjusted their work to offer quick services to these stations by opening studios of voice, makeup and television photography!

Mona Jabir, president of ART television's children's channel is presently managing the "Gemini" Studios of voice and image. They are outfitted with the most



modern equipment and material. This is in addition to her work as the president of a channel for offering facilities for new television!

A number of Arab stations have begun to gradually introduce the local dialect of their countries through satellite stations!

This is the final picture of the competition that is occurring in the Arab arena, and the opinion of the officials in it. Does it help to solve the puzzles that still intensify the mystery of the picture in the sphere of Arab space? That is the question!

#### **Social Impact in France Noted**

94LD0037B Cairo AL-AHRAM in Arabic  
23 Mar 94 p 10

[Text] The winner last Ramadan was the Egyptian satellite channel. This was confirmed by our study of the Egyptian and Arab expatriate community in Paris. The channel succeeded throughout the days and evenings of the blessed month of Ramadan in regaining the trust of the Egyptian and Arab people. For its transmission was well-organized and its programs diversified, and it won in its competition with the other Arab channels, especially after its "dish" price decreased, and it became within everybody's means.

The truth is that this evolution that the Egyptian satellite channel is currently witnessing, and that everyone recognizes, started several months ago, not just in the month of Ramadan. This channel was studied from all sides, both transmission and programs. They were able to define its problems, and identify the reasons for the interruption of transmission or its weakness. These efforts began with the visit the minister of information, Safwat al-Sharif, took to France recently, and his signing of an agreement permitting the transmission of the Egyptian satellite channel to some French cities.

The odd thing is that the Egyptian satellite channel has become—with regard to the Arab and Egyptian expatriates—strong competition for the French channels, in the sense that most families kept on gravitating towards the Egyptian channel's programs, and they don't watch French television. It is to blame for the anxiety of some mothers. Ms. Hanan Muhammad Al-Said, mother of two children aged ten and six explains:

"My children are no longer interested in watching French television, just as they have refused to have anything to do with the cartoons that children usually love. They remain tied all the time to the satellite channel broadcasts.

"I don't deny that "our sons" have improved their Arabic and especially the Egyptian dialect because of their constant following of the satellite channel, but what makes me concerned now is that they have stopped following their favorite programs on French television."

Ms. Hanan confirmed that the Egyptian satellite channel has succeeded in attracting all the Egyptians during Ramadan, just as it was able to break through the sense of exile. The sad atmosphere that was born in our souls and that carries all our good memories with it in our souls appears especially on big religious occasions like Ramadan.

#### **Breaking Through the Sense of Exile**

Ms. Kawathir Hassanein—mother of two children and one older boy, their ages ranging between five and 15 years, says:

"The satellite channel has made us feel that we are living in Egypt, for we see everything, just as if we were living there. I hardly feel that I am living in France except when I go out into the street, and I interact with others.

"The only problem we have with the cartoons on the satellite channel is that their dialogue is in Modern Standard Arabic and that makes it hard for my children to follow because they know colloquial and not Modern Standard."

Dr. Ahmed Gamal (father of two children) believes that the satellite channel, with its improved programs has become a better tool of awakening and feeding feelings of belonging. For Egypt is present in the souls of our sons day and night, and our family joins in all the religious and national occasions. There is also great passion among the Egyptian expatriates for the ball games and their scores. They talk about them all the time just as if we were sitting in the popular coffee houses of Cairo.

He adds: "As for the most important improvements of the satellite channel, they are that it made Egyptian families refrain from searching for a special teacher to teach the colloquial language to the children, as Egypt made them teach it in history books present in front of them during every broadcast."

#### **The Distance of the Channel From the Interests of the Expatriates**

But another person, Abd al-Hamid Muhassan, who has lived in Paris for 15 years, thinks that what the satellite channel is deficient in is its lack of approaching the interests of the expatriate Egyptians, for it doesn't offer them through its programs enough information relating to the customs laws or talk to them about new Egyptian products.

He adds: "This information will benefit us greatly because it will make us avoid some of the problems that confronted us at the airport at the time of our visit to Egypt just as it will prompt us to buy Egyptian products instead of returning carrying gifts from Paris."

Abd al-Hamid does not deny that the Egyptian satellite channel eliminated his feelings of loneliness because he lives alone in Paris while his wife and his children live in Egypt, and because he keeps on feeling that he sees what they see and he lives in their atmosphere. Likewise, it has



become within his capability to send them his greetings through articles earmarked for receiving the correspondence of expatriates.

Another remark that another expatriate, Mr. Uthman (he has lived in Paris for 10 years and he is the father of two children) cites is this. He says:

"We are suffering from a deficiency of information that the satellite channel broadcasts especially with what relates to the recent occurrences of violence in Upper Egypt. While the broadcasts and other means of media are keen on broadcasting them, there are many occurrences of exaggeration in them. We find ourselves scattered, lost between what we hear from these broadcasts, and the condensed news that the satellite channel broadcasts.

"Likewise, we want it to cover a larger area of local and regional news, because most of us want to know what is happening in the governorates and the centers in Egypt. For we follow the international news on French television, and we are not deficient in anything except the regional news that seems marginal to some but is in reality of the utmost importance to the expatriates."

Mr. Uthman offers another observation concerning the program "Arabian Evening." He says that it is a splendid program, but most of the songs that it offers are resumed more than once in a week, and he wonders why Egyptian television does not try to broadcast new songs and passages.

Finally, the Arab and Egyptian expatriates in Paris agree on the distinctness of the programs that the satellite channel offers and particularly the program "Words of Gold," the program "Very Frank Dialogue," which invited as its guest the first time Mr. Ibrahim Nafia', editor-in-chief of Al-Ahram, and a cartoon program, in addition to the other series like the series "No," which Mustapha Amin wrote, and the series "Arabesque," whose starring role was undertaken by the gifted artist Salah Al-Saadani.

The expatriates are requesting an increase in the space designated for cultural programs so that the satellite channel is not transformed into merely entertainment. Likewise, some of them suggested that the channel undertake the identification of the Egyptian and Arab expatriates respectively during the conducting of civil investigations that involve the life of the expatriates in different countries, then broadcast them.

## IRAQ

### Economic Losses in Energy Consumption Analyzed

94LH0040A Baghdad AL-JUMHURIYAH in Arabic  
20 Mar 94 p 6

[Article by Engineer Haydar Kamunah, Baghdad University Institute of Higher Studies for Urban and Regional Planning: "Commercial Streets in Baghdad; Economic Losses in Energy Consumption"]

[Text] It is well known that energy is one of the most important elements of power and that it is a basic support upon which the countries of the world rely for progress and development. Every country in the world either has faced, or will face, an energy crisis in one form or another, and because of that, all possibilities must be determined and attempts made to avoid—as far as possible—being damaged by that crisis.

With respect to consumer countries, if the aspect of that crisis is the supply or supplies of energy from abroad, then we, as a producing and exporting country, have another aspect of that crisis. The latter aspect is represented by the diminished price of this energy, its excess production and supply, and the drop in consumption, which will result in reducing the life of its reserves. Consequently, this natural wealth will dry up in a shorter period of time. This is especially true since our country is going through extremely critical circumstances, with regard to rebuilding the national Iraqi economy during this iniquitous blockade imposed upon our valiant nation.

The process of air conditioning the buildings located on more than 200 commercial streets has changed the use of the land of those streets from residential, in accordance with the basic design agreed upon for the city of Baghdad, to commercial in accordance with decisions made by the Municipal Council during the last decade. This requires producing additional electrical energy, considered to be among those economic sectors that are capital intensive. This sector requires high investments as a result of the enormous sums of money needed to establish power stations, transmission networks and lines, and electrical transformers. This gives the allocated investments an active and influential role in raising or lowering growth rates with regard to the production of electricity.

In Iraq, the capital-intensiveness of the electricity sector was reflected in consecutive increases in total fixed capital formation during the period 1970 to 1990. Through observing actual electricity production in Iraq from 1970 to 1990, it becomes clear that total fixed capital formation rose from 32.8 million Iraqi dinars [ID] in 1980, in fixed prices for the year 1970, to ID155.5 million for 1990. This shows an annual growth rate of 8.1 percent for 1970-90.

The consumption of electricity fluctuated among the various sectors. The domestic household sector consumed 40 percent, while the administrative and services sector consumed 41.5 percent for 1988. These percentages rose in 1989 to 43.5 percent for the household sector and 36.6 percent for the administration and services sector, while the percentage of consumption for the industrial sector, which is the sector that forms the country's backbone, was no more than 8.5 percent in 1988 and 7.9 percent in 1989. We should note that those percentages are different in advanced countries. For

example, in Sweden the percentage of electricity consumed in the industrial sector in 1985 was 40 percent of total consumption, and in the transportation sector it was 20 percent, while the commercial and residential sector consumed 40 percent. In the United States, the residential and commercial sector used about 17 percent of total electricity consumed in 1985, while industrial sector consumption was no more than 23 to 25 percent. The services sector used 35 percent of total consumption.

Advanced nations try generally to guide their consumption and concentrate on the industrial sector, considering it the influential economic sector with regard to the state's economic structure. One should note that the industrial sector's consumption rates in these countries are generally close to or exceed the residential sector's consumption rates. Reducing the volume of consumption for air conditioning, which uses 55 percent of the electricity consumed per residential unit in Baghdad, is very necessary, especially if we consider that this consumption goes up to 80 percent from May to October. However, it is very unfortunate that changing the environment of these streets from residential uses to commercial (multistory buildings, with commercial shops on the ground floor and residential apartments, offices, and clinics on the other floors) has resulted in major economic losses in the consumption of electrical energy. This decision was made without regard to, or in violation of, one of the design principles that must be employed in architecture and urban planning when erecting any building in the city. That principle is to protect human beings from climatic conditions and provide a suitable environment for living, working, and recreation. In order to achieve that, it is necessary to provide that building with a group of architectural and physical characteristics that make it an appropriate social instrument to fulfill its various functions.

#### **Agricultural Policy of Cooperatives Explained**

94LH0055A Baghdad AL-'IRAQ in Arabic 1 Apr 94 p 5

[Sajir Zubayr Ja'atah, president of the General Federation of Peasant Cooperative Societies, interviewed by Dhiyab al-Mafraji; place and date not given]

[Text] The question remains: how do we increase our agricultural production? We multiply the acreage of cultivated land. What is required of the peasants, as they are the crucial factor in the success of any agricultural plan? While Iraqi peasants have their decreed national role, what is the role of the General Federation of Peasant Cooperative Societies? Is it a merely guiding role, or does it have special executive aspects in its serious endeavor to implement agricultural plans in a manner suited to our present circumstances, in which we are contending with the criminal sanctions?

These are the questions AL-'IRAQ posed to Mr. Sajir Zubayr Ja'atah, the federation's president. We had a

dialogue, with responses that may shed light and provide indications that we hope may play a broad role in implementation.

The president of the federation said, at the outset of our interview with him:

"Throughout its long career, our federation has had an effective and influential role in the production process, in propelling the agricultural sector forward. At the present time, as a result of the difficult circumstances and the effect of the unjust sanctions on the scarcity of agricultural and productive necessities, everyone is forced to search for other means and alternatives in order for the production process to continue in the agricultural sector, without interruption. We are acting to increase agricultural production at rates surpassing those of past years. I can confirm that our country is capable of food self-sufficiency, using the same cultivated areas, if we use ideal scientific methods in cultivation. We can raise production standards on the basis of increased yield per acreage unit, in terms of plants, and per production unit, in terms of livestock. The 1994 plan focused on our federation's total action and activity by carrying out the tasks entrusted to us and departing from traditional formats of work and searching out innovative methods, with the instructions of President Commander Saddam Husayn, God preserve him, as the guide for our daily work. The federation's plan relied upon an emphasis on field work—productive work."

The president of the federation added that the federation's working plan for 1994 is founded upon the following bases:

"Reliance upon the sayings and instructions of President Commander Saddam Husayn, God preserve him, considering them the guide for our labor, and a permanent program for all our rural activities, as well as in our political and agricultural work as the Peasant Cooperative Societies take up their effective and influential role in mobilizing their energies in the political and productive fields, and as we make field visits to the governorates, hold symposiums with the peasants in their workplaces to explain the dimensions of the current phase and the economic conditions our combatant country is experiencing, the importance of the honorable role of the peasantry in confronting threats and all types of aggression, and thwarting the criminal sanctions."

#### **The Organizational Aspect**

"From the organizational standpoint, the plan emphasizes the development of the local and branch federations and the peasant cooperative societies. Each local federation selects one peasant cooperative society for each region, and makes it into a model society that can be the core of cooperative and advanced action. We are working to mobilize the peasantry and get them involved in their societies, training qualified and active persons for the membership of the administrative boards, and concentrating on some societies noted for their growth."

### The Production Aspect

Turning to the productive (economic) aspect, the president of the federation says that "our federation's working plan confirms our pricing policy, which was set by the leadership, and the unlimited support of the President Commander that the agricultural sector has enjoyed. That has been one of the most important direct means of increasing and developing production, and getting into the production process in a practical way. It takes into consideration the reality of production and the yields realized for various crops, with a study of decreasing yields and the search for methods available to boost productivity in the agricultural sector, confirming the importance of exploiting arable land in a studied and systematic way. Part of this is the method of farming and the use of types of seeds, fertilization, pest control, and the monitoring of yield during the harvest, marketing, and storage phases to increase agricultural production on one hand, and to put an end to losses and waste on the other. In addition, we work with all relevant agencies in the agricultural sector to develop our work, offer better services, and supply agricultural needs. Steps will be taken and actions taken toward a fair procedure for distributing water in the major and branch waterways in order to provide the water needed for all cultivated areas, especially in the summer season, rationalizing consumption through reduced direct outlays; economizing in the use of primary materials and resources needed in production; setting up a comprehensive plan for field monitoring and supervision of actual agricultural work; identifying its problems, finding suitable solutions for them, and working together with related agricultural companies in the agricultural sector."

### Boosting Yields

"The General Federation of Peasant Cooperative Societies accords this field special importance, and is coordinating with research and scientific agencies in the agricultural sector, and the universities, to achieve an advanced agricultural state based on what is present and available, to boost yields and improve them. One of the chief causes of the drop in crop yields is the weakness and decline of types of seeds used: the seeds currently in use have been used for years without bringing in a new strain or type. This has led to the overuse and decline of the yield of these types. Thus we must reaffirm the need for the agricultural scientific research agencies to invent new types of the strains and varieties now in use in the cultivation of wheat, barley, rice, and other crops, that will achieve higher yields. This is also the case as relates to the invention of varieties with a high resistance to salinity. This is a dangerous pest that has spread in many regions of the country. We will also study the causes of the deterioration of grain yields in farming, seeds, the use of fertilizers, irrigation, and the effect of other factors on that, such as the rise in salinity, agricultural pests, and other things."

The president of the federation concluded the interview by saying: "There are other matters relating to the plan,

related to marketing and credit, and making the best use of animal resources. The General Federation's plan emphasizes these bases in its work and it is up to the relevant offices and local federations to undertake the monitoring of detailed plans and their details with the aim of having them implemented by the relevant office and local federations, in coordination with the relevant ministries and offices, each in accordance with its jurisdiction."

## SAUDI ARABIA

### Electronic Copyright Laws Implemented

94AE0109A London AL-MAJALLAH in Arabic  
17 Apr 94 pp 53-55

[Article by Mahir 'Abbas: "Saudi Computer Companies To Provide Consumers With Inexpensive Genuine Programs"]

[Text] A law to protect authors' copyrights and electronic rights began to be implemented this month in Saudi Arabia, making software piracy and copying illegal acts punishable by law. Software manufacturing, production, and distribution companies are encouraging this approach. At the same time, they are promising the consumer that the law is in his interest and that they are about to market a variety of inexpensive, original programs that will obviate the need to buy counterfeit software.

Now that Saudi Arabia has joined the International Agreement on Copyrights amended in Paris in 1971, many economic circles in the Kingdom stress that implementation of the copyright law will protect intellectual property rights, especially computer programs and the works of authors and artists in the Kingdom. Spokesmen for companies in the computer and software field said that the law's enforcement will have a positive effect on the software market and will prevent the piracy that was common in the market. Furthermore, implementation will be an incentive for companies in the field to increase development of their programs. It will give them a good opportunity to innovate, whereas previously they wasted energy in attempts to protect their programs and monitor the market. Several directors of such companies told AL-MAJALLAH that they had devoted more effort and money to protecting software than to producing it. This had raised costs as well as prices for the consumer.

Sources indicated that implementation of the intellectual protection ordinance will stop acts of piracy and the gray market whose participants until now took advantage of the absence of any deterrent to stop them. The result was that genuine programs struggled to survive in the market in the face of similar copied programs at token prices with which they could not compete.

In order to investigate views of the software business as the ordinance to protect intellectual property goes into



effect this month, AL-MAJALLAH sounded out the computer software market through three major companies in the field.

According to Faysal Jam'an, general director of ISCO-Microsoft Integrated Systems Company: "Implementation of the ordinance will undoubtedly give a powerful impetus to software companies to devote themselves to more innovations that serve the market. They will expand into more new research programs than previously. The companies were very concerned in the past with monitoring the market and protecting their programs. The effect for the consumer came in the form of higher prices."

He referred to serious efforts by several Saudi banks and other companies to prevent dealing in unauthorized software. He indicated that this constituted significant cooperation with the protection law.

Al-Jam'an declared that companies and various agencies would try to protect their equipment and networks by seeking genuine software, pledging to use it, and conforming to the law. "At Microsoft, we have organized an information campaign to coincide with implementation. We present the importance of using the original program and how to protect one's computers. As previous methods of piracy disappear, the market will be revitalized with new software. The big companies will embark on more future investments to bring out new products." However, Jam'an emphasized that implementation by itself will not suffice. Cooperation between consumers and companies is needed. The advantages of original programs over counterfeit or copied ones are indisputable. This cooperation will reduce many of the consequences of the time and effort that were devoted to monitoring. Al-Jam'an also calls for monitoring the market after implementation of the law, to prevent counterfeit software from entering.

He noted that pirating companies had become skilled at copying programs. They had a wealth of technical tricks and used the most advanced techniques in the field of counterfeit copying of highly advanced programs.

With implementation of the new law, the market will be protected from such programs, which had a negative effect on the market and on companies.

#### Protecting Investments

Hani al-'Alami, director of training at Gulf Star Company, said that the matter would delight software companies and give them means to protect the investments they had made in programs. Previously, the picture was unclear, which enabled anyone to copy software from the original without legal prosecution. This led to large-scale piracy, which affected the market.

Al-'Alami thinks that implementation of the law will give the software market more orderly buying and selling operations and will protect companies that invest in this field. He indicated that Gulf Star Company had a

program called "Arab Word" that had been designed with a special protection system. However, the copying companies had overcome the protection and had become expert in copying the program, breaking the self-protection system on which the company had relied. This had affected sales. Gulf Star's original program sold for about 1,000 riyals [R], later lowered to R250, while the counterfeit copy sold for only R5. The counterfeit spread through the market, while companies were unable to prosecute the violators.

Al-'Alami cited many examples of methods of piracy in the absence of legal deterrent. The company represents various software companies, such as the American companies Novell and C.A. Novell offered a program valued at \$10,000. It was copied and counterfeited and sold on the market for only R100. Al-'Alami added: "This is certainly piracy and theft of others' property and effort. The protection law will eliminate it."

Al-'Alami predicts that companies that buy software will be forced to buy authorized software and will comply with the law. He does not rule out that some companies may be disturbed by the law's implementation, but he hopes that dealing in counterfeit programs will cease now that there is a law making violators accountable.

As for market conditions after the new law is implemented, he predicts that his company's sales on the market will double.

Mr. 'Imad al-Dughaythir, general director of al-Dawalij Technical Company, thinks the law will have a big effect on the software industry, especially in a market like Saudi Arabia, which forms about 60 percent of the market for Arabic software. The law will help companies grow and invest more in the area of software.

Al-Dughaythir agrees that companies now spend much time, effort, and money on ways to protect their programs—more than the costs of production. This has caused many companies to shrink from risking further investments. These companies have been making great efforts to monitor the market. With the new law, they will devote themselves to other activities, and this will be reflected in the products offered in the software market.

The law will form a protective wall for the companies against piracy. As a result, they will be able to devote themselves to developing their product, instead of monitoring the market. Implementation of the law will be an impetus to new investment opportunities in the field with equal competition, rather than piracy.

The development programs of various companies will receive a good deal of investment directed toward them. The law will stop piracy by putting copied programs out of commercial circulation. This will give companies the opportunity to operate in a secure market. It will also do away with the so-called gray market.



### Viruses

Al-Dughaythir thinks that the new law will eliminate or stop the spread of viruses. Many copied programs are moved from machine to machine and therefore transmit viruses to the companies.

Regarding the condition of the market, he indicated that the consumer will find new programs at low prices around R100 or R200. He added that his company has comfortably priced programs that have not been put on the market yet because their costly copy protection system made the programs uneconomical. The company refused to spend enormous sums to protect programs that the market might not absorb.

Al-Dughaythir also thinks that the software sector will see positive movement with the implementation of the law. In the past, protection was not up to the level of investment. Now, however, the Arabic software market will see many formerly absent programs in the coming period.

The prevailing impression in the companies was that consumers in the Arab market look for cheap programs and do not consider the effort and money needed to produce them. With the law's implementation, al-Dughaythir predicts that the market will attract new companies that had stayed out and viewed it as unprotected. Now that there is protection, it will be a fertile market, and this will affect its condition positively. He believes that the new situation will limit prices because of abundant production and the presence of competition.

[Box, p 54]

### Counterfeit Programs: Cheap But Very Harmful

Counterfeit software may seem a good deal to the consumer, who acquires an unauthorized copy of a program at a low price and uses it without noticeable differences between it and genuine software. However, software companies in the Saudi market draw attention to the following drawbacks of such programs of which the consumer may not be aware:

- Counterfeit software is not accompanied by documentation and manuals that explain how to use it correctly and benefit from it.
- The consumer does not get technical support from the software company or information about updates or adaptation to new computers.
- Counterfeit software may contain viruses that wreck the computer and ruin all its files.
- Counterfeit software threatens the value of producers' investments. As a result, they do not risk new investments to produce more modern programs and to offer more applications that might be subjected to copying. Companies suffer losses that impel them to leave the sector.
- Companies are forced to employ security keys and protect software against unauthorized copying, thus increasing the cost of the software to consumers.

- Using these counterfeit programs makes the user subject to punishment by law for every time the programs are used.

## REPUBLIC OF YEMEN

### Al-Bid Interviewed on Crisis

94AE0110A Doha AL-SHARQ in Arabic 6 May 94 p 5

[Telephone interview of Vice President 'Ali Salim al-Bid, by Fawzi al-Jundi, from Cairo, date not given: "I Want To Give Up My Official Responsibilities"—first paragraph is AL-SHARQ introduction]

[Text] The Arab people, from the Atlantic Ocean to the Gulf, are following with mounting unease the deterioration of events in Yemen. All are eager for the success of the union, a natural thing between the two halves of Yemen, though reckless bullets assassinate the hope in the Arabs' hearts. This war has no winner and no loser. The loser is the spirit of restoring Arab solidarity; the winners are those who seek to extinguish the light in this nation, its movement toward development, and collective action for greater stability here and in the Arabian peninsula, the Gulf, and every Arab country, God willing.

[al-Jundi] Some observers think the failure of the Salalah meeting between you and President 'Ali Salih was due to your having proposed that the armed forces take action incompatible with Yemeni unity.

[al-Bid] That is not true. We never did anything like that. But our brothers in the Congress, or some of them, excel at playing games, at maneuvering, talking, and misrepresenting things. We leave it to you to pursue. We want to formalize the document, nothing else. I hope everyone will abide by the document on national consensus.

[al-Jundi] A prominent commander at the General People's Congress has said that the Yemeni union can only be ended by war.

[al-Bid] Of course war. Those opening fire are aiming at our union. We consider 'Ali 'Abdallah Salih's speech of 27 April to have opened fire on our unity. Perhaps the rest of the patriots are rectifying this situation, because war and partition are two sides of the same coin. If there is a motive for that, it is the motive to destroy the union, though, God willing, despite all our pains, we can survive this. Our people know that today there are still break-away groups from the 3d Brigade in the mountains and on the roads. We cannot as yet supply statistics as to who is alive and who is not, because they are still monitoring their preparations in the 3d Brigade and the mountainous regions north of Sanaa. They have their equipment, unfortunately. If the action had been against their wishes, it would have been possible to have no imminent collapse or pursuits of those who lived, but they continued. The strange thing is that after leaving the camp,

organized preparations were seen in every city with tribes—they were stacking barrels and clenching their fists. How could this be, if the action was outside their control, a big mistake in spite of those exerting all this control? There are things time will reveal quite soon. We hope to keep those who remain, and that they be destined to live, both the 1st Brigade and the 2d. They are all sorely tried, and offering their precious blood on land far from home. This is not our battle. This is a crime being committed by a small group that does not like Yemen, or the Yemeni people, or its union. It is secessionists who are behind these deeds.

[al-Jundi] What is the role of the committee of political dialogue after the militarization of the crisis?

[al-Bid] The dialogue committee, outside the coalition, is active. I met them on Monday and Salih on Sunday. I wish them further efforts and we will all cooperate with their initiative. I welcomed it in my meeting with them.

[al-Jundi] The Yemeni Presidential Council issued a statement saying that the Council was legally and constitutionally responsible for the protection of the united state in all its regions.

[al-Bid] The former legitimacy is finished. What is called the Presidential Council is a partitionist group, not the Presidential Council we recognize in accordance with the Constitution. The Presidential Council has, unfortunately, set itself up as prosecutor, judge, and jury, and everything else, and issued its verdict that the 3d Brigade was the cause before the arrival of the committees—before the committees conducted their investigations. How could it allow itself to do that? Is this the Presidential Council? Is it not our right to admonish this conduct, to understand that the people are aware, that they know what's going on? This is one of their farces to impose secession in the name of unity. This is not pro-union or a legitimate action at all; it is a partitionist and isolationist action on the part of individuals in the Presidential Council. The Yemeni people know this. If they want to preserve the union and stability, let them go back to the pledge document and the accord.

[al-Jundi] Is there any hope that you will go back to work in Sanaa, the capital of the united Yemeni state?

[al-Bid] I hope to give up my official responsibilities, but I will remain a combatant with the whole Yemeni people and all citizens. As to Sanaa, Aden, or Ta'izz, they are all our cities, and I am the one who recently proposed that the document capital be Ta'izz; that would be where we work, given that it is in the middle, and that most of the government staff is from Ta'izz. At this point we are working from this capital, until the document is implemented and the situation stabilizes in the two capitals: the winter and summer capitals, Sanaa and Aden, in accordance with the provisions of the document.

#### **National Commercial Bank Publishes 1993 Report**

94AE0104A London AL-SHARQ AL-AWSAT in Arabic  
25 Mar 94 p 9

[Article by Rashid Hasan: "National Bank Results; Signs of New Phase"]

[Text] A few days ago, the Saudi National Commercial Bank published its general budget report for 1993, accompanied by the usual explanatory financial data. This is the first time in years that the bank's management has offered such a revealing review of its situation and performance in various fields, because the general budget for 1991-92 was not published in any detail or, at least, did not receive a sufficient amount of attention and absorption at that time. In view of the choice and scope of publication, attributable to the bank being a private noncorporate company, providing financial data in this detail to the public is, of itself, the most important indicator of changes that have suddenly occurred in the situation of this important national institution. After the difficult circumstances to which it was subjected in 1991, the National Bank weathered the crisis in 1992, and entered into unprecedented activity under the circumstances by exposing its total performance to market pressures and the scrutiny of overseers. This in itself is the most important factor of future strength and the biggest incentive for the bank's progress, so that it may reclaim its natural position as the kingdom's most deep-rooted and strongest bank.

Because numbers are just numbers, we are taking this occasion to publish this report so that its numbers can be quickly read, while pointing out the most important aspects that will especially interest the ordinary citizen.

#### **Status of Deposits**

The National Bank is keen on repeatedly making sure that the developments to which it was subjected have not affected its base of depositors, which clearly has been loyal to the bank. This fact is revealed by the stability of clients' deposits of nearly 49 billion Saudi riyals [R], which remain virtually unchanged from 1992. On the contrary, one could say that customer deposits increased "slightly" in 1993. However, this increase was not obvious, because the bank's clients kept an increasing part of their deposits in government bonds, since these bonds had a greater return than interest on deposits and, at the same time, had convenient incentives. As an example, the volume of customer investments of this type of financial instrument increased from R5.7 billion in 1992 to R7 billion in 1993.

However, total deposits in the National Bank were affected in 1992 (in comparison with 1991) because the bank's operations in New York and London were halted. The suspension of the bank's two international branches resulted in transferring a major part of foreign operations to other banks and, consequently, the removal of deposits connected with those activities. The New York branch alone represented \$4 billion which, for the most

part, were deposits of institutions and banks. Moreover, the budget of the London branch ranged between \$1.5 billion and \$2 billion. It was no surprise, therefore, that customer deposits dropped in 1992 to R48.7 billion from the approximately R65.5 billion at the end of 1991. However, the largest portion of the decrease in this area stemmed from the removal of deposits of organizations and groups doing business abroad and not from the removal of deposits of individuals and traditional clients.

At the same time, the deposits of banks do not represent an important source of the National Bank's funds, which has always been a net creditor of the Interbank market. This explains the lack of important deposits from international banks in the National Bank, while the deposits of Saudi banks in 1993 totalled R5.1 billion. This is a modest figure as a percentage of the budget and of the total deposits in the bank.

As a result of the drop in total deposits, the size of the general budget report declined from R78 billion in 1991 to R63.7 billion in 1992. The 1993 statement has slightly improved, as it has again risen to R66.8 billion, an increase of nearly 5 percent.

#### Investments

The drop in deposits for 1992, as a result of the decrease in the bank's foreign operations, was accompanied by a comparable drop with regard to assets. The most prominent indicator of that was the bank's reduction of its portfolio of deposits with banks (which ranged from R24.4 billion in 1991 to R15.8 billion in 1992). There was also a reduction of the bank's portfolio of stocks, bonds, and securities by about R4.4 billion. [sentence as published] This is the equivalent of approximately R13 billion.

The National Bank had to liquidate its operations in New York within a 90-day period, as set forth by American authorities, which was by the end of October of that year. This explains why the 1992 budget carries the full brunt of the closure of the branches.

In contrast to that, it should be noted that the bank's credit activities in Saudi Arabia remained stable and were unaffected by events abroad. The net from loans and credit totalled R25.9 billion in 1991 and 25.1 billion in 1992, rising to R27.5 billion in 1993.

One of the most important developments vis-a-vis the National Commercial Bank, which is clearly evident in its report, is the continual decrease over the past two years in the volume of letters of credit and, consequently, the financing of imports. These documentary credit activities in the 1993 budget totalled R3.6 billion, which is 33 percent less than the 1992 figure (which was R5.4 billion) and 40 percent less than 1991, which totalled R6 billion.

We believe that this aspect is one of the most important factors preoccupying the bank's management, because it

pertains to its traditional share of the commercial money market and importing activities by commercial groups and houses and, consequently, income from brokerage commissions. This is assumed to be an important source of net income.

It is probable that the loss of the New York and London branches will have an impact on financing trade and imports. These activities have also been affected by the position of certain international banks (especially in Japan) with regard to cooperation in assuming credits. In 1993, they may also have been affected by the drop in financing imports by the private sector, the guiding of governmental expenditures, and the decrease in financing of oil operations because of the drop in crude oil prices. However, it is certain that the percentage of decrease in documentary credits in the National Bank is higher than the rate of decrease in the market, because of other reasons that we have mentioned. However, the bank is clearly determined to regain its role and its share in this field, within the framework of a comprehensive plan to reestablish its presence and operations in the market, especially after the major increase in its capital to R6 billion.

#### Strengthening the Conservative Trend

The 1993 statement clearly shows a shift in the bank's policy regarding currency circulation in future contracts, especially in the currency market, because the decline of this item in the chapter of regular accounts (i.e., those outside the budget) has continued. The total future contracts to buy and sell foreign operations was R34.2 billion in 1993, compared with 39.3 billion in 1992, and approximately R89 billion in 1991.

#### Hard Debts

The National Bank's 1993 statement contained further evidence of increased conservatism in evaluating its budget and assets, since the total allocation for debt losses was R293.4 million, compared with R81 million in 1992, and R470 million in 1991. At present, the best evidence for this development is the re-addition of major allocations for the decline in value of the real estate portfolio, totaling R393.1 million, and other allocations for the decline in value of other investments. This totaled R170 million, which raises the total allocations for 1993 to R856.5 million.

It is worth pointing out that the real estate allocations resulted from the bank's portfolio of real estate obtained as part of debt settlements. This portfolio has decreased in value as a result of the drop in real estate prices in 1993, and because of the possibility that the sale price would be affected by the size of the offer, particularly since the bank cannot hold on to real estate for more than two years. In any event, the belief is that the allocations are larger than what may be required. However, they reflect the bank's desire for more conservative policies with regard to evaluation of assets.

#### **Restructuring and Operating Costs**

The 1993 National Commercial Bank Report included evidence of the stability of the bank's operating expenditures which, in that year, totaled R1.432 billion, compared to R1.435 billion in 1992. Despite the fact that the National Bank has taken actions to reduce staff and restructure operations, with the goal of increasing efficiency and strengthening management, this process did not begin until the latter part of 1993. Consequently, not enough time has elapsed for this process' results to be reflected in this report.

It is expected, therefore, that the bank will clearly show stronger developments with regard to guiding expenses during 1994, especially with regard to salaries. However, the possibility of increased reliance on modern technology, and the development of other branches for

capital investments, means that total cost of operations could rise next year, despite possible reductions in salaries.

One may view the 1993 budget report as the first one of the National Bank's new stage of guidance and centralization. However, this bank—conservative by nature—will avoid any implementation cost, i.e., making a desired change by shock methods. As is clearly shown by the bank's performance in 1993, this next phase could be called: searching for beneficial ways to restore the bank to its natural position. However, it is important to implement it now, given the lack of anticipated profit from international branches abroad. Here is the challenge, because it is difficult to visualize a bank the size of the National Bank without international branches. This matter will raise a question sooner or later and, in any event, rumors are strong in this regard.



## INDIA

**Clinton Letter to Niranjana Shah Expresses Support**

94AS0278A Bombay THE TIMES OF INDIA  
in English 15 Apr 94 p 19

[Article by Abhay Vaidya: "Clinton's Step To Repair Ties With India"]

[Text] Washington, April 14—In an effort to repair his relations with the Indian community in the United States, the U.S. president, Mr Bill Clinton, in a letter to Mr Niranjana Shah, a Chicago-based industrialist and trustee of the Federation of Associations, has expressed strong support for India's economic reforms.

He also praised the cooperation between the two countries in science and technology, the United Nations' peace-keeping operations in Somalia and Cambodia, formulating the comprehensive test-ban treaty and the chemical weapons convention.

Despite differences on some non-proliferation issues, we have worked together on a comprehensive test-ban treaty and a chemical weapons convention," Mr Clinton said in his letter of March 29.

The tone and content of Mr Clinton's letter is significant in the light of recent fence-mending efforts by senior U.S. officials like the deputy secretary of state, Mr Strobe Talbott, and the assistant secretary, Ms Robin Raphel.

Significantly, Mr Clinton refrained from making direct references to the Kashmir issue.

He appreciated the efforts by private Indian organisations and the Indian government in addressing important human rights issues in the subcontinent, he wrote.

"Our concern about human rights are part and parcel of a mature relationship between democracies," Mr Clinton said in his letter, adding, "We recognise the important work done by Indian private groups and individuals and the efforts by the government to address human rights problems."

"We also encourage India to pursue peaceful solutions to problems at home and abroad that have posed threats to the security of that great nation," Mr Clinton said.

The President assured Mr Shah that the ties between India and the United States "are solid and that there is great potential for further growth and cooperation between us."

Mr Shah told TOINS [Times of India News Service] that he was concerned about the deterioration in Indo-U.S. relations after a series of provocative statements last year by Ms Raphel.

In January he and some other prominent Indian-Americans from Chicago met Ms Raphel to express their concern over her remarks on Kashmir.

On February 28, Mr Shah brought Ms Raphel's remarks on Kashmir to Mr Clinton attention when he visited Chicago in a re-election bid by the Congressman, Mr Dan Rostenkowski.

During that meeting, Mr Shah said, the president made some positive assurances with regard to the Indian-American community.

Interestingly, it was only a few months ago that the White House had provoked a strong protest from Indians over Mr Clinton's reply to a letter from a Washington-based Kashmiri secessionist, Dr Ghulam Nabi Fai.

In a December 27 reply to Dr Fai Mr Clinton had said he was "looking forward to working with you and others to help bring peace to Kashmir."

These words had prompted an intense reaction in India and among Indians in the United States.

After that controversy, the White House appears to have restrained itself, seeking to prevent more controversies over the U.S. position on the Kashmir issue.

This became apparent when Mr Clinton declined to reply to the Indo-American Kashmir Forum president, Dr Vijay K. Sazawal, who had written to the president about the tragic plight of Kashmiri Pandits in India.

Mr Sazawal's January 7 letter was passed on by the White House to the U.S. State Department for a reply. Mr Ron D. Lorton, director of the office of India, Nepal, Sri Lanka, Maldives and Bhutan affairs, despatched a two-para reply saying: "I share your concern about the human rights situation in Kashmir, including the problems faced by the Kashmir Pandits. I hope that peace can soon be restored to this beautiful but troubled place."

**Papers Report, Comment on Robin Raphel Visit****Meetings 23 Mar**

94AS0271A Bombay THE TIMES OF INDIA  
in English 24 Mar 94 p 1

[All quotation marks as published]

[Text] New Delhi, March 23—India today firmly told the United States that there could be no discussion on the status of Kashmir, while Washington promised to put pressure on Pakistan to cease abetting cross-border terrorism and seek a solution to the Kashmir issue within the framework of the Shimla accord, report agencies.

The Union home minister, Mr S.B. Chavan, told the U.S. assistant secretary of state, Ms Robin Raphel, that certain statements emanating from Washington had "adversely affected the situation in J and K [Jammu & Kashmir]."

Ms Raphel, whose controversial pronouncements on Kashmir, earlier, evoked strong criticism in India, said

the "primary objective of her visit was to clear up misunderstandings which have been created and (she) shared the goal of improving Indo-U.S. relations."

The home minister also told her that J and K is an integral part of India and that the people would not "tolerate attempts to undermine the nation's territorial integrity."

An external affairs ministry spokesman said Ms Raphel expressed her government's appreciation for India's transparency and its permission to international human rights organisations and diplomats to visit J and K.

Ms Raphel, who had questioned Kashmir's accession to India, emphasised that "Indo-Pak disagreements over J and K should be solved within the framework of the Shimla agreement."

Besides meeting Mr Chavan, Ms Raphel held discussions with her counterpart in the foreign office, Mr H.S. Puri, the home secretary, Mr N.N. Vohra, and some members of the National Human Rights Commission (NHRC).

Mr Chavan underscored India's renewed offer to Pakistan to schedule another round of talks at foreign secretary and other levels to underline its objectives of seeking improvement in all aspects of Indo-Pak relations, the spokesman said.

During her 90-minute meeting with Mr Puri, strains in Indo-U.S. relations over contentious issues such as Kashmir, human rights and nuclear non-proliferation came up for a close scrutiny.

"We had a very useful exchange of views as we always do," Ms Raphel said as she left South Block for the home ministry for a detailed briefing on the situation in Kashmir.

She parried a question whether there had been any narrowing down of differences between the two sides on these issues.

Official sources said both sides touched upon the whole gamut of the Indo-U.S. relations during the meeting.

Her talks here in the foreign office are preparatory to the scheduled visit here of the U.S. deputy secretary of state, Mr Strobe Talbott, from April 6 to 8.

American officials said that Mr Talbott would lay special emphasis on winning support in India and Pakistan for the U.S. drive to limit the spread of nuclear and chemical weapons.

Mr Talbott will also press New Delhi and Islamabad to enter into negotiations aimed at resolving the Kashmir issue.

During a 30-minute meeting with officials of the NHRC, Ms Raphel observed that much importance was attached to the work of the commission.

She presented a copy of the 'Country reports on human rights for the year 1993' prepared by the U.S. State Department.

Ms Raphel will call on the minister of state for external affairs, Mr R.L. Bhatia, and the foreign secretary, Mr K. Srinivasan, tomorrow.

Ms Raphel met the NHRC member, Mr Virendra Dayal and the commission secretary-general, Mr R.V. Pillai, for a first-hand knowledge about the functioning of the commission.

Mr Dayal informed her of the main areas of the commission's work. She was also briefed about the various programmes of visits which the commission had undertaken to various states and the contacts made with like-minded commissions established by other countries.

### Meetings on 24 Mar

94AS0271B Bombay THE TIMES OF INDIA  
in English 25 Mar 94 p 1

[Text] New Delhi, March 24—India today warned the United States that any enhancement of Pakistan's offensive military capabilities would escalate tensions in the region and seriously affect India's security environment.

India's strong reservations on the possibility of an amendment of the Pressler legislation or its waiver to supply more F-16 jet fighters to Pakistan, were conveyed by the foreign secretary, Mr Krishnan Srinivasan, to the U.S. assistant-secretary of state, Ms Robin Raphel.

An external affairs ministry press release said Mr Srinivasan reiterated India's willingness to resume dialogue with Pakistan at the foreign secretary level and hoped Pakistan would eschew the path of internationalisation of the Kashmir issue and support to trans-border terrorism.

Ms Raphel told the foreign secretary that the United States was willing to encourage the process to facilitate resolution of all outstanding problems between the two countries. It welcomed the continuation of the bilateral dialogue between India and Pakistan which was resumed in January last.

India has reaffirmed its consistent position on, and preference for a global, comprehensive and non-discriminatory approach to non-proliferation and security-related issues.

This was made clear to Ms Raphel by the minister of state for external affairs, Mr R.L. Bhatia, when she called on him today.

India has also expressed its reservations on the possibility of discussing the NPT [Nonproliferation Treaty] and related security issues in a multilateral forum comprising some selected countries. This point was raised by Ms Raphel during her discussions with Mr Srinivasan.

Ms Raphael had a series of discussions with Mr Bhatia, Mr Srinivasan and also the commerce secretary. She got an opportunity to interact with several joint secretaries of territorial divisions in the external affairs ministry at a working lunch hosted by the jt sec. (America).

The foreign secretary regretted the closure by Pakistan of its consulate in Bombay and banning the entry of Indian citizens through the Wagah checkpost on the border in Punjab. He drew her attention to the unanimous resolution passed by Parliament on Kashmir recently and asserted that Pakistan's efforts to internationalise the issue would not succeed in fulfilling its territorial ambitions.

Both sides agreed that contentious issues like the amendment of the Pressler legislation to facilitate purchase of F-16 fighter aircraft by Pakistan should be taken up in detail with Mr Strobe Talbott, the number two person in the state department, who arrives here early next month.

During her discussions with the commerce secretary, Mr Tesinder Khanna, both sides expressed satisfaction at the increased momentum in bilateral trade relations, the growing interest of the U.S. business community in commercial interaction with India and expressed optimism about the growth in trade.

Specific issues like difficulties being experienced by Indian software engineers in securing visas, apprehensions about revival of Super 301 and other pressing issues were raised by the commerce secretary.

Ms Raphael responded that America would use Super 301, consistent with GATT and the results of the Uruguay round.

The commerce secretary also outlined India's efforts to work out a preferential trading arrangement under the aegis of SAARC [South Asian Association for Regional Cooperation]. He expressed the hope that Pakistan would join other SAARC members in this endeavour.

The U.S. commerce secretary, Mr Ron Brown, is also expected to pay a visit sometime later this year.

Meanwhile, the Janata Dal today registered its strong protest over the manner in which the Indian government has dealt with the visit of Ms Raphael, and wondered why the "nation's dignity" had been compromised in such a way.

A statement issued here today by the senior Dal MP [member of Parliament] and former external affairs minister, Mr I.K. Gujral, said he was astonished on how all protocol norms had been disregarded and the visiting U.S. official received by the country's home minister, the minister of state and the home secretary.

Mr Gujral pointed out that all practitioners of diplomacy knew that such upgradation of protocol would imply nervousness and uncertainty, adding that since the days of Nehru, India had evolved a pattern of dealing with such visits particularly in similar circumstances.

"I fail to understand why the nation's dignity is being compromised in such a way. We have both the strength and pride to preserve our nation's integrity. We do not need testimonials from all and sundry," Mr Gujral said.

### 'Lack of Understanding'

94AS0271C Hyderabad DECCAN CHRONICLE  
in English 25 Mar 94 p 8

[Editorial: "Raphael Ruffle"]

[Text] While the rather coy statements of Ms Robin Raphael, U.S. Assistant Secretary of State, are pleasing to hear, one need not be surprised if the tenor of her statements is found to be boundary specific. Ms Raphael is expected to proceed to Pakistan immediately after her India trip. It will be very surprising if Ms Raphael does not once again change track and start harping on her favourite theme of human rights abuses in Kashmir and question the territorial integrity of India. Should this happen, it would be most unfortunate. The inability of the world's two largest democracies to see eye to eye has created a somewhat anomalous situation. In the economic sphere, India's relations with the United States seem to be on a perfectly even keel. The commerce department had designated India as one of the ten major emerging markets in the world to receive special attention as the United States formulates its worldwide export strategy. The United States continues to be the largest market for India's exports, accounting for 20 percent of what we sell abroad. The United States is also the largest foreign investor in India with investments in 1993 representing as much as 42 percent of the over \$2 billion approved by the Government of India. Apart from these interesting facts, the newly formed India Interest Group, reflecting the views of 20 major American corporations which include such well-known names as General Electric, American Express, AT&T, IBM, Coca Cola and Citibank, is doing a wonderful job in raising the visibility of U.S.-India bilateral relations with policy and decision-makers in Washington. As far as the liberalisation policy is concerned, the U.S. support seems well defined.

But it is the inability of the two countries to strike rapport in political matters that has been a cause for concern. Strategic alliances here seem thicker than economic opportunities. The inability of the foreign-policy-makers in Washington to understand the psyche of Indian and Pakistani suspicions of each other's intentions which are deeply rooted and thus not easily dissipated, and their trigger-happy secretaries talking about human rights abuses without understanding the ground realities have led to their shooting off their mouths, souring not just bilateral relations between India and Pakistan, but also among India, Pakistan and the United States. Two important reasons as to why India and Pakistan are not able to thrash out differences are: Pakistan's inability to overcome the fact that it lost Bangladesh because of India and so retribution via Kashmir; second, the United States' inability to put the sub-continent's priorities over its own strategic policies,



leading to ambiguous mouthings, convenient to boosting its own image and interests. Unfortunately, both India and Pakistan have been playing into the hands of the United States by each trying to win over the super power. If the same will and initiative was shown in resolving differences between the two countries, so much more would have been achieved and the Raphels of the world would not have been ruffling our feathers. It is difficult to accept Ms Raphael's statement that the United States is not siding with Pakistan over the Kashmir issue and that the Clinton administration has no quarrel with the territorial integrity of India. If that be the case, Ms Raphael owes India an apology for all her utterances. Indian policy-makers have, for once, taken the offensive in saying that they do not want to have talks on Kashmir. That is how it has got to be. They should also be prepared to hear in a short while, Ms Raphael switching to her familiar role of India bashing, the moment she leaves our shores. The firm stand taken by the External Affairs Ministry and the Home Ministry should send definite signals to Washington about their misplaced South Asia policy. Also, India is fully within its rights not to discuss what is an internal matter with a third country. So, lay off Raphael. If, as she says, the Clinton administration really wants a strong and productive relationship with India, the most important thing to do would be for her to save her energies and remain silent. The less you talk, the fewer mistakes you commit. That is the moral.

#### Views Deemed Unchanged

94AS0271D Calcutta THE STATESMAN in English  
31 Mar 94 p 11

[Article by Raju Santhanam: "A Dose Too Much of Raphael Rhetoric"]

[Text] New Delhi, March 30—The success of Indian diplomacy can hardly be measured in terms of how Miss Robin Raphael, the U.S. Assistant Secretary of State for South Asia, was treated during her visit to New Delhi or how a Prime Ministerial trip to Washington has been cleared. The truth, however, is that the Indian officials, who were given a dose of the Raphael rhetoric in private, too, have realized that there is no dilution of her views on the Indo-U.S. relations.

There are those who say that if Miss Raphael's statements are examples of American muscle-flexing, India can hardly complain that "pressure" was a new factor. While the Bush Administration and some Republic Senators did condemn Pakistan's support to terrorists there was no let-up on the pressure from the Bush Administration on other pending issues whether it was signing of the NPT or the rocket deal with Russia.

The difference now is the accent on human rights which is being described as a personal goal for the U.S. President, Mr Bill Clinton, and it is applicable for all countries.

China has been able to withstand pressures of losing out on the most-favoured nation status. This is more because

of pressures from the U.S. business community which is worried about a losing market. India has not attracted that kind of investment so far.

The Americans have a reason to believe that pressure has worked on Pakistan.

Internally it is being admitted in Pakistan that whatever they may say in public both the Nawaz Sharif and the Benazir Governments are prepared to give guarantees of "capping" the nuclear programme. That America expects India to follow suit is obvious.

Mandarins in South Block, at least those having a wrong notion of how to keep the "flag flying," have tended to react more to statements in public but have on the other hand kept quiet during private discussions where the "squeeze" is put on.

The growing impression in the United States, according to observers, is that India is keeping its domestic compulsions in mind a factor that has been oversiressed in talks with the U.S. officials. At the same time the United States is gaining the impression that the "pressure" is working. An evidence of it is India agreeing to bilateral talks with Pakistan on the Kashmir issue.

While one official cannot make or mar the relationship between the two countries Miss Raphael is being singled out for special mention because she is the only U.S. official publicly stating the U.S. policy as it stands today and being well qualified to do so.

But even Miss Raphael and others concerned with the South Asian affairs would have been impressed by the way India was making sure that Miss Raphael was not "slighted" during her brief tour.

If Miss Raphael has left with the impression that the Rao Government was more than eager to extend a warm welcome there is a good reason for it.

It was the Prime Minister's Office which was arranging various meetings. Meetings with senior officials in charge of anti-insurgency operations in Kashmir and Punjab; with Mr S.B. Chavan and Mr Rajesh Pilot, besides the Foreign Secretary and the Joint Secretary were those that were officially arranged.

The suggestion that Washington was not averse to a Rao visit appears to have been timed during Miss Raphael's visit. One view is that the timing of the offer is the State Department's way of showing that Miss Raphael does have the clout despite her "junior" status. The implied message: She is not a loose cannon.

Several weeks ago after an exchange of rhetoric, it was being speculated that Mr Narasimha Rao would not be able to visit the United States. Now his visit is a virtual certainty although it is not expected to initiate any change in the U.S. position. In fact the invitation itself suggests further discussions on the NPT.



**Relations With U.S. Unchanged After Talbott Visit***94AS0277K Bombay THE TIMES OF INDIA  
in English 9 Apr 94 p 14*

[Editorial: "The Talbott Visit"]

[Text] Little or nothing has changed in the relations between India and America as a result of the visit by the U.S. deputy secretary of state, Mr Strobe Talbott. Both sides seem to have gone through a routine exchange of their respective positions without conceding any ground. While Mr Talbott reiterated the Clinton administration's view that the supply of military equipment, including F-16 fighters, will assist the verifiable capping of the production of highly-enriched uranium for making nuclear weapons in Pakistan, India has refused to endorse the deal and expressed concern over the move to supply the weaponry. Given the history of distrust between India and Pakistan and, for the matter, between India and the United States it was difficult for India to accept what it sees as a step that will boost Pakistan's military strength at a time when the latter is in a particularly belligerent mood. The American side argues, perhaps somewhat tendentiously, that the supply of military equipment will not affect the India-Pakistan military balance, but New Delhi obviously thinks otherwise. Indian and Pakistani forces are currently evenly matched if there is a short, sharp conflict. But the addition of 38 fourth generation fighters along with 3C Orion maritime reconnaissance and strike aircraft is liable to tilt the balance against India.

Contrary to expectations, the American visitor did not bring any package of "suggestions" on the nuclear non-proliferation issue for India. This may have been due to the awareness that the issue just does not fit into the U.S.-Pakistan matrix and requires to be addressed separately. It is possible that Washington may have decided that the complex South Asian scene has to be untangled gradually and has decided to devote the first part of its efforts to Pakistan. It has to be remembered in this context that it was American forbearance that resulted in Islamabad not only acquiring the bomb but also the delivery systems in the form of the first batch of F-16s. In any case there are far too many imponderables relating to Washington's new initiative in South Asia, the attitudes of Pakistan and China being the most obvious, to come to any immediate conclusion about future prospects. Mr Talbott cannot but be aware that in its first year, the Clinton administration had not only ignored South Asia, but through statements of the President and some of his officials unnecessarily soured the relationship between New Delhi and Washington to an extent not seen recently. Insofar as it sought to make amends, the visit was useful, as were the nuances suggesting that America might be willing to deal with India as India, and not as a function of its relationship with Pakistan. But he should not be surprised if he detected a note of scepticism in Indian responses.

**U.S. Intentions in South Asia Analyzed***94AS0281A Varanasi AJ in Hindi 29 Apr 94 p 6*

[Article by Nikhil Chakarvarty: "America's Intentions in South Asia"]

[Text] The United States of America has a large battalion of thinkers that has access to an extensive pool of information. It is believed that this large battalion of thinkers help form public opinion and government policies. However, what do we learn when the question of actual implementation of these ideas arises? We learn that the Clinton administration, despite the presence of this large think tank, is showing a surprising lack of maturity in its policies dealing with the world. It rarely got any praise for its action in Somalia and its reputation was not enhanced in Bosnia. Improper action in North Korea also deprived it from any possible glory. As for its policy on China, it has not demonstrated any tendency towards an encouraging or authentic policy. Similarly, the Clinton administration has not earned any respect in dealing with Japan over their ugly and improper trade war. The fall of Mr. Hosokawa's from his position as prime minister has not helped Mr. Clinton's policy on Japan, that is if a policy does exist.

Against this dubious background, Deputy Secretary Strobe Talbott's recent visit to India and Pakistan was a simple exercise and did not hint about any new outlook on South Asia. Even if we grant that he was more careful and conventional compared to his emotional assistant, his trip has not show any new direction. We can say that Strobe Talbott came here and saw everything, however, unlike Julius Caesar, he did not conquer.

In New Delhi, putting a brave front, he tried to assure us that "Washington wants to improve relations with India for better relations, and wants to do the same with Pakistan." In other words, New Delhi should not worry about what Washington is doing with Islamabad. It also means that India has nothing to do with or worry about what the United States is giving or not giving to Pakistan. Similarly, Pakistan should also consider any agreement or dealings between India and the United States as unimportant. This issue should be considered a bilateral issue by both countries. This argument appears to be good on paper, however, in reality it is oversimplification of the issue. When the United States and Pakistan signed an agreement in the 50s, Jawaharlal Nehru had opposed it and told President Eisenhower that the dangers of Cold War were being brought to this region by this treaty. The U.S. argument was that this would help Pakistan fight the communist power. The hint was that Pakistan had to deal with the Soviet Union, and not with its neighbor India. Krishna Menon had expressed his memorable reaction to this U.S. action. He had said that he had never faced a gun that can be fired only in one direction. He had also said that supply of arms to Pakistan was a cause of concern for India. The fact is that even after the end of the Cold War, Pakistan's strategic importance to the Pentagon's future plan has

not diminished in the context of Central Asia and the Persian Gulf. The United States needs a place to set its foot in the vast area between Xinkiang and Iran. It needs a credible reason also, which only Pakistan can provide. Washington also believes that only the military can provide both stability and reliability in Pakistan. The latest offer to modernize its Air Force and provide it F-16s and other military equipment help meet this dual goal. United States' most trusted and stable group in Pakistan can be kept happy and a very important watchtower to protect the U.S. interests in this crucial region will be strengthened.

During Talbott's talks in New Delhi, it was felt in the capital that the maneuver of getting Pakistan's agreement to cap its nuclear program in exchange for providing it F-16s will not be successful because no Pakistani government will be ready to give up its nuclear program. Still, after the talks in Pakistan, which Talbott called fully successful, it appears that the Clinton administration is very eager to provide F-16s and other lethal weapons to Pakistan immediately. Efforts are being made in the U.S. Congress to suspend the Pressler amendment in order to supply these. The fact is that the main pressure on the Clinton administration is to ensure the sale of the productions of the huge U.S. airplane and missile industry. Senator Pressler has already unmasked this fact, especially in the context of supplying F-16s to Pakistan. Should Narasimha Rao desire, as some of his advisors would want, President Clinton can also provide India with a batch of those fighter planes or send other kinds of planes to India. In this context, we should not forget that the noise made over the cryogenic engine deal with Russia and forcing it to back out of the contract, was all done to help boost the sale of American rocket manufacturers. India is being pressured to give up its missile program for this same reason. The U.S. weapon industry that President Clinton wants to encourage and advance has this inherent reasoning, "If you need rockets or missiles, we are ready to sell you our products. Why are you making rockets and missiles?"

Now the question naturally arises: What is the reason for publicizing these efforts to halt Pakistan's nuclear program? Talbott had made it clear in New Delhi that the deal with Pakistan should be seen as a deal which has some strict and clear conditions. This condition is Pakistan's clear agreement to halt its nuclear program before the F-16s are supplied to it. He clarified this idea further two days later in Islamabad. In a very carefully expressed criticism he had made it clear that agreement to initiate U.S. proposals has been made. He also said that the goal of joint efforts was to expand on that understanding.

### U.S. Pressure Over 301 Termed 'Commercial Sword'

94AS0281F New Delhi JANSATTA in Hindi  
4 May 94 p 4

[Editorial: "The Worthless 301"]

[Text] There are many reasons for the two-month extension given to India on Special-301, the U.S. "commercial sword." One reason perhaps is Prime Minister Narasimha Rao's proposed visit to Washington. At a time when a topic like the NPT [Nonproliferation Treaty] is to be discussed in Washington, raising the Special-301 issue would be creating unnecessary bitterness from diplomatic standpoint. There already are differences over several issues between India and the United States. More serious than trade issues are the political and defense issues. President Clinton and Prime Minister Narasimha Rao will discuss all these issues. Therefore, we do not understand why the U.S. Department of Commerce showed the Special-301 sword. Granted, the two month extension is over now; however, the official report on GATT talks has been confirmed during this time. India has signed it. GATT contains answers to all the questions that had led to the Special-301 proposal in the U.S. Congress. The U.S. Government should be satisfied with India's agreement on the Dunkel proposals of the GATT and should work on ending Special-301. Instead, it has warned that India will be brought back under Special-301.

It appears that India is facing Special-301 because of China. They want to make China a GATT member. It has applied for it. China has made the delay in decision on its entry an issue for opposing it. Until China joins GATT, the United States will continue to threaten it over copyright and patent infringement. China and India are in the same category on the U.S. list. That is why India is repeatedly warned about Special-301. It is possible that the U.S. Congress does not want to end Special-301 because of China. At present, China, Argentina, and India are the Special-301 countries. India and Argentina have signed the GATT documents and both have to change their patent and copyright laws under this agreement. Enough time has been allocated under GATT for it. The United States is putting psychological pressure for making new laws by giving warnings every two months. Nothing will happen if India ignores these. India should not worry about Special-301 now. How can we accept U.S. highhandedness after signing a multi-party international trade agreement? All patent and copyright issues are considered in the new trade agreement. At a time when multiparty trade arrangements are being made, how can the United States become an enforcer in a bilateral arrangement? Perhaps, the U.S. administration has understood it and has not taken any action and India has not wasted time in expressing its reaction.

**U.S. Initiatives Seen Favoring Pakistan***94AS0281A Jalandhar PUNJAB KESARI in Hindi  
19 Apr 94 p 6*

[Punam I. Kaushish: "The U.S. Proposal Is Against India's Interest and in Favor of Pakistan"]

[Text] Do you remember an incident related to Kennedy? During his talks with President Chiari of Panama, he turned to one of his assistants and said, "I am not managing this negotiation very well." The assistant asked, "What makes you think that?" Kennedy responded, "He says that we had committed atrocities on them in the past, and I agree with him."

The time has changed from Kennedy to Clinton and the situation has changed from Panama Canal to India. The United States has traveled far. However, the president's talks are the same. Except that Bill Clinton will not admit that the United States has been nasty to India. Robin Raphel will never admit that the United States favors Pakistan. Strobe Talbott cannot deny that the relationship between India and the United States has soured. Winter goes and summer comes, however, from the deputy state secretary to the President, everyone curses India with full ardor be it the issue of human rights violations or Sikhs rights or the Kashmir issue.

We hope from Talbott's recent visit to India a new chapter will be added to India-United States relations. He did try to soothe India over Kashmir and human rights. He spent most of his time explaining the Clinton government's South Asia policy. It emphasizes nuclear non-proliferation and tells how the nuclear capability of India and Pakistan can be controlled. He talked about making South Asia nuclear free and kept India and Pakistan talking about non-proliferation while discussing the interests of a platform of nine countries including the United States, England, France, Russia, China, Japan, Germany, India, and Pakistan.

This sends out a clear message. The United States wants to remain the only superpower in the world. It wants to pressure India to terminate its nuclear and missiles programs. Washington understands that India will not bow down under U.S. pressure. Thus, it will adopt a policy that serves U.S. interests.

There are two aspects of this plan. First, Prime Minister Narasimha Rao has received an invitation from President Clinton to visit the United States next month. The letter goes like this: "I am waiting to meet you. At that time, we will analyze world relations as well as our mutual relations. The purpose of this is improve U.S.-India relations." One veteran leader commented on it in these words, "This letter does not stand anywhere when compared to President Reagan's warm letter to Rajiv Gandhi."

Second, Talbott met with all leaders one by one. Mr. Rao expressed India's concern over U.S. plans to supply F-16s to Pakistan. However, Talbott's assurance was

very restricted. He said that he did not want to play the Pakistan card. In addition, he criticized Dulles.

The hint about Kashmir was also very unclear. Robin Raphel declares Kashmir to be a disputed region, but Talbott talks about the Shimla agreement. The truth is the Washington is still kicking the Kashmir issue around. One Indian observer commented that the U.S. proposal is analogous to saying [in wrestling], "I have pinned down and I am also pinned down." We should restrict our program and Pakistan will get F-16s. This is not negotiation; this is a joke.

In addition, Talbott expressed confidence about his trip to Pakistan. This means that Washington and Islamabad have agreed on some confidential pact. The special condition of this could be that Pakistan has agreed to restrict its nuclear program. It should be remembered here that the commander in chief of Pakistani armed forces was purchasing weapons in the United States during those days. All Talbott said was, "The United States and Pakistan have laid the foundation stone for progressing in the right direction."

One Pakistani spokesman said that their government will consider any proposal that helps balance power between India and Pakistan. However, these special issues can be different. This way, Talbott has been successful in his lump deal. This means that Pakistan will restrict its nuclear program in exchange for receiving F-16 fighter planes. This will lead to U.S. pressure on India to restrict its high technology, space, and nuclear programs. Talbott denies that he is tying Kashmir to nuclear non-proliferation. It is incorrect. As for Pakistan, it has always viewed this issue within the framework of Kashmir and has tied relationship with India to it. The United States knows that it cannot change Pakistan's determination. It proposed the idea of India and Pakistan forming a regional group to resolve their problems. At the same time, they should limit their nuclear weapons.

Still, it was clear to India. That is why Prime Minister Narasimha Rao had told Talbott that India will not sign the NPT [Nonproliferation Treaty]. It will not express its reaction to U.S. supplying weapons to Pakistan because it is actively helping the terrorists. Ambassador Siddhartha Shankar Ray commented, "How can it be logical for the United States to increase India's defense-related worries and then pressure India to reduce its defense forces?"

If there are so many disagreements between India and the United States, why was not the non-proliferation issue given much importance during Talbott's visit? If we look at it from the U.S. perspective, we will learn that Talbott's goal was to first target the nuclear weapons and then end the nuclear program. We can say that this task is the most complicated after the end of the Cold War.

The U.S. foreign policy can be viewed from U.S. economic prosperity angle. Asia is the only path to its future prosperity. Unfortunately, Clinton strategy is to "gain a lot without much work" and all this without facing any



danger. The Asian leaders are opposing it because they find that bringing Washington's trade here means Washington forcing its political wishes on them.

There are two basic aspects of Clinton's Asia policy. First, on 3 June he has to decide whether to keep the most favored nation clause for China or not. Second is to implement the U.S. law Super-301, which empowers the U.S. President to impose restrictions on the nations that close their markets to U.S. products. The target this time is Japan.

In other words, the U.S. administration has become alert. It does not want to see another failure in the Indian sub-continent. That is why it wants to impose limited restrictions and not fight the whole war at once. It is targeting India and Pakistan in this context.

It is adamant on the proposal related to nuclear non-proliferation and weapons control on multi-national agreement. He has recently increased the number of nations from five to nine, because the idea of five nations was not acceptable and it did not satisfy India. Therefore, it has been suggested in the U.S. proposals that initial talks be held once or twice a year on one issue and these talks can be started by either the United States or Japan.

The defense in South Asia should be made the basic issue for these talks. Each point should be discussed to attain the goal. The U.S. proposal emphasizes raising the defense issues in South Asia in these talks and pointing out the points of dissention that cause these problems. There are provisions to impose restrictions on the production of nuclear weapons. This task will be taken care of by other associated nations.

It will be a good thing if the two countries agree on an issue. This platform will monitor to see the rate of progress. The basis for any decision is that all involved nations agree.

This agenda shows that the U.S. intentions are not honorable. India will oppose any step that is against it. Of course, Prime Minister Narasimha Rao will discuss all these issues with President Bill Clinton in Washington next month. The United States definitely is very important for India, however, the fact is that the United States is not always correct; other countries are always wrong!

Therefore, New Delhi must be fully prepared and the Rajiv Gandhi formula about NPT must be made clear once again. It said that it must be accepted by all the nations and all must agree to gradually get rid of their nuclear weapons by 2010. The U.S. proposal that is in front of us is according to the U.S. and Pakistani wishes; not to India's. The United States should deal with India carefully. India can do a lot for the United States, but the United States should also bend a little and try to understand facts. Let us hope that Narasimha Rao during his trip will be able to convince Clinton to follow Kennedy's footsteps when dealing with India.

### F-16s for Pakistan Threaten Security

94AS02681 Calcutta THE STATESMAN in English  
21 Mar 94 p 11

[Text] New Delhi, March 20—The imminent induction of 71 frontline and nuclear-capable F-16 fighters by Pakistan, loaded with a variety of electronic counter-measures, poses a threat to India's security and will tilt the air strike power in Islamabad's favour, defence analysts say, reports PTI.

At a time when the Indian Air Force is facing a serious resource crunch with no major expansion plans in the offing, the induction of fighters of such magnitude by Pakistan, which has admitted that it had acquired a "certain capability" in the nuclear field, would force the Indian defence planners to re-think its defence policy, they said.

Apart from the F-16 fighter, another threat to India may come in the form of at least three U.S.-made P3C Orion maritime surveillance aircraft which are capable of attacking India's maritime and sea coast assets. These aircraft, built and kept in hangars in the United States, could also be delivered to Pakistan using the same loophole in the Pressler Amendment, analysts say.

Even though the IAF [Indian Air Force] can boast of being a top class Air Force in the world, with over 700 combat aircraft and a well-trained force, the fact remains that over 50 percent of its aircraft of Russian origin are in a "bad shape" and requires urgent overhauling upgradation and replacement, analysts at the IDSA [Institute of Defense Studies and Analysis] said.

If the U.S. Government goes ahead with the deal, India has no other option but to go shopping for fighters to correct the "asymmetry," the analysts say. However, they said India had only limited options on this front.

While the cost of frontliner fighters has shot up, the United States may put pressure on countries like Russia, France and the U.K. which are willing to sell fighters to India, they felt. Further, the disintegration of the Soviet Union has left India in deep trouble for the spares of the existing Soviet origin fighter plane.

The analysts at the IDSA said the addition of 71 warplanes to Pakistan would mean that it would have 108 F-16A/B aircraft, with a range of nearly 1,400 km. This would tilt the balance in Pakistan's favour since India had only about 45 Mirage-2000 fighters, which can match the capability of the U.S. fighter.

Another point to be noted here was the availability of AWACS [Airborne Warning and Control System], a force multiplier to Pakistan from Saudi Arabia, a close ally, in case of a conflict. The total effect of a combination of F-16s and AWACS would be "deadly," they said.

However, the reported statement of the Prime Minister, who said that any U.S. attempt to modify the Pressler Amendment to renew aid to Pakistan would "force India to reassess its defence policy," was a welcome sign, they said.

**Problems With Proposed Rao Visit to U.S. Seen***94AS0268F Bombay THE TIMES OF INDIA  
in English 30 Mar 94 p 13*

[Article by Manoj Joshi: "Offering Carrots or Using the Stick?"]

[Text] New Delhi, March 29—How much of a role has the invitation to the Prime Minister, Mr P.V. Narasimha Rao, to visit the United States played in unrolling the red carpet for Ms Robin Raphel? It is now clear that the Prime Minister's office (PMO) over-rode caution and the home minister, Mr S.B. Chavan's reluctance to ensure that the visitor was treated with due deference.

Since the invitation was conveyed to the PMO more than a week before the arrival of the U.S. assistant secretary of state for South Asia, it can be inferred that it did play a role. It is no secret that Mr Rao has been most keen to visit the United States and his office has been working hard to ensure that his visit is a success.

However, given its position as the nodal body which co-ordinates government policy between various ministries, it may be that the PMO has allowed its bias to cloud its judgment. Perhaps, signals emanating from this office, reflecting the desire for the Prime Minister's success in the United States, has given the wrong impression—that India would be willing to compromise key elements of its national policies for the purpose.

That the Clinton administration may have indeed sensed an opportunity in this also squares with the fact that the invitation to Mr Rao and the decision of the deputy secretary of state, Mr Strobe Talbott, to visit New Delhi was taken around the same time.

The problem the PMO, and indeed the government, now faces is whether or not to accept this invitation or seek dates later in the year. They are aware that the Prime Minister's visit to the United States must stand up to the already high level set by the recent U.K. tour, described by Mr Rao as the "most successful" of his foreign visits as Prime Minister.

Unfortunately, the government is now confronted with a situation where, even as Mr Rao is being received with honours at the White House lawns, 38 F-16s fighter jets, hitherto embargoed by the Pressler amendment, may begin landing in Pakistan.

Dealing with this is giving the government a major headache, because no matter how it looks at the issue, there are nothing but negative consequences for India. The United States has promised unspecified "incentives" for gaining India's acceptance of this deal, but as of now there is nothing that the United States has to offer.

The more ominous possibility is that the United States may proffer some disincentives instead, should India appear difficult. In short, the United States may threaten

India with the internationalisation of the Kashmir dispute through the United Nations, if it does not play ball on its nuclear non-proliferation plans.

The main reason for the success of Mr Rao's visit to Britain was that country has more or less given up even the pretence of being a world power and, viewing the world from a commercial point of view, decided that making up to India is more important than making a point on human rights or Pakistan.

So the English have gone out of their way to woo India and have made it possible to take the relationship onto what appears to be a new plane.

This is not the case with the United States, which wishes to be the world policeman and arbiter.

While U.S. investors are willing to see India in a new light, and indeed explore the new dimensions of the relationship, the U.S. Government persists in looking at India in a somewhat old-fashioned way, as a function of its relationship with Pakistan, or of its concern for retaining its global hegemony.

**Debate Over Rao Trip to United States***94AS0278B Bombay THE TIMES OF INDIA  
in English 13 Apr 94 pp 1, 7*

[Article by M.D. Nalapat: "Debate Over Prime Minister's U.S. Trip"]

[Text] New Delhi, April 12—During the past month, there has been a difference of opinion between the "pragmatists" and the "nationalists" over whether the Prime Minister, Mr Narasimha Rao, should or should not visit the United States at this juncture in Indo-U.S. relations.

The pragmatists point to the U.S. emergence as India's largest trading partner, foreign investor and supplier of technology while pressing for an early visit. The "nationalists" point to the Pakistan tilt, and now to the F-16s, as reasons why Mr Rao should stay at home.

According to members of the Prime Minister's official family, the Prime Minister has plumped for the "pragmatic" line, though the exact dates for the trip have "yet to be finalised." In an earlier invitation—to which no reply was sent from the Indian side—the U.S. president, Mr Bill Clinton, had suggested May 6 as a convenient date. A second invitation, brought by the U.S. deputy secretary of state, Mr Strobe Talbott, did not specify a date. It is this second invitation that has been accepted by Mr Rao.

The 7 Race Course Road is of the view that the Talbott visit "significantly succeeded" in removing the bad taste of the earlier remarks of the U.S. assistant secretary of state for South Asia, Ms Robin Raphel.

During his visit, Mr Talbott did not "press India to make concessions on Kashmir," and instead made it clear that

the United States had no prescription to offer; it was for India and Pakistan to resolve their differences by themselves. This stand has gone down well with the Prime Minister, as also the explicit delinking by Mr Talbott of India and Pakistan on the nuclear issue. This is in contrast to the Pakistani stand of linking its nuclear policy to India's capabilities.

It was considered significant that not just in Delhi, but in Islamabad as well, Mr Talbott did not make any statement "embarrassing to India." This reticence—in contrast to his junior colleague—helped create an atmosphere for acceptance of the invitation.

According to members of the Prime Minister's official family, one of the primary objectives of the visit will be to attempt to "deter the United States from escalating the arms race in South Asia through supply of F-16s to Pakistan. Indeed, this one objective by itself makes the trip necessary."

During the visit, Mr Rao is expected to lobby against the supply of the aircraft not just with the U.S. President but also with other members of the U.S. power elite: members of the U.S. Congress, academicians in leading think-tanks, and representatives of the American media.

Mr Rao is expected to make clear that the supply of F-16s under pressure from the Lockheed Corporation would lead to an immediate response from India, in the form of purchase of fresh high-performance aircraft and the deployment of additional missile batteries for defense. The PMO [Prime Minister's Office] is convinced that there will be few takers for the U.S. administration line that the F-16s are "almost some kind of toy, rather than efficient nuclear weapons carriers."

According to the PMO, the decision to go to Washington was, apart from the need to pursue every avenue to block the F-16 deal, taken because of three factors:

- As a signal to the emerging pro-India lobby among U.S. business houses that India too is serious about better relations with the world's largest economic power, and to establish direct contacts with the million-strong Indian community in that country.
- To further the process of contacts between various levels of U.S. and Indian officialdom. At present, numerous contacts are taking place at all levels between India and the United States. This process will gain speed after a Prime Ministerial visit.
- Because a Democrat administration has been, thanks to the lingering Kennedy magic, always perceived as being "closer to India" than a Republican one. The PMO "cannot see the harm in going to Washington to meet a democrat president, especially the one who has already been called on by leaders of major countries such as China, Russia, Germany, the U.K. and France, not to mention Pakistan." Rather than "sit on a high horse," it is better to take advantage of the opportunity "to expand the areas of agreement and narrow down the areas of friction."

It is accepted that there will be some negative political fallout from the visit, but this has been taken as being an argument for an early visit, in that such a visit would give time to contain the fallout before assembly elections fall due in November. Thus, barring yet another Raphael-like embarrassment, the Prime Minister should be in the United States on a four-day visit by May.

## Reportage on Prime Minister's Visit to UK

### Meeting, Interview 15 Mar

94AS0270A Hyderabad DECCAN CHRONICLE  
in English 16 Mar 94 pp 1, 9

[Article by S. Viswam: "N-Proliferation Can't Be Stopped—PM"]

[Text] London, March 15—Nuclear proliferation could not be stopped nor clandestine activity prevented without a global non-discriminatory regime, the Prime Minister, Mr P.V. Narasimha Rao, said here on Tuesday.

In an exchange of views with the leader of the Liberal Democratic Party (LDP), Mr Paddy Ashdown, who called on him in the morning, the Prime Minister took the view that the basic issue in regard to proliferation was whether or not measures to prevent it was discriminatory or universal.

The nuclear proliferation theme, which figures for the first time in his talks with British leaders during the Prime Minister's current visit, was referred to by Mr Ashdown who enquired whether it was possible to have non-proliferation on a regional basis. Mr Rao's response was that it all depended on how a particular region was defined. In India's case, for example, both China and Russia had to be included. This was patently because the impact of certain countries extended far beyond their regions.

Significantly, apart from Mr Ashdown, none of the British leaders with whom Mr Rao has had discussions so far has referred to the subject of nuclear proliferation and India's approach to that question.

The better part of the discussions with Mr Ashdown was devoted to India-Pakistan relations in the specific context of their normalisation and India's ongoing economic reforms. Mr Rao explained to Mr Ashdown that while India's efforts to restore the political process in Kashmir continued, so also did Pakistan's efforts to sustain terrorism in the Valley continue. However, despite this, India acknowledged that Kashmir was its responsibility and consistent with that responsibility, India would do whatever was possible and necessary to normalise the situation in Jammu and Kashmir.

Mr Rao recalled that immediately after elections in Pakistan, he had suggested to the Pakistan Prime Minister, Ms Benazir Bhutto, that a dialogue between the two countries should take place. If the issue relating to Kashmir proved intractable, India had made it clear that



constructive dialogue could be undertaken on other bilateral aspects. The picture, however, was not good right now.

Pakistan's response to India's six proposals as basis for a dialogue also had not been favourable. It seemed as if Pakistan wanted to close the doors whereas India wanted to and was trying to open them. From Pakistan's side, everything seemed to be done to cause rifts, the Prime Minister said.

Mr Rao made a similar assessment in his interview to the British Broadcasting Corporation (BBC) here, in which, in an obvious reference to Pakistan, he said that terrorism was being thrust upon India. "Both the gravity and intensity of the situation are worsening," he felt. The Prime Minister elaborated in the interview upon the theme of preparing for the restoration of the democratic process in Jammu and Kashmir which he had referred to in his talks with the British Premier, Mr John Major, on Monday. He said that the government was in touch with everyone who was interested in peace in Kashmir. Consultations were being held both at the national as well as the local level in Kashmir, he said. Mr Rao added that it was not a question of contacting the right people alone. The foremost question was of alleviating the situation. There was no dearth of democratic buffers in Kashmir. New alliances and parties would come up in the State once elections are held under the provisions of the Indian Constitution. He did not rule out the participation of the old democratic leadership in the political initiative. There were parties and leaders who had run governments in the past and are capable of running them in the future.

The Prime Minister, however, ruled out the possibility of early elections in the State. "We would go for it fully prepared as the consequences of hasty election can be disastrous," he said. Mr Rao cited the example of Punjab where an abrupt decision of holding elections in 1991 had led to the killings of as many as 27 candidates. Things could not be set right by pushing a button.

In his talks with Mr Ashdown, the Prime Minister said that the government wanted the economic reforms' benefits to percolate to the village level and not just stay in some localities spread over some parts of the country. India had embarked on a large programme of rural development. He felt that his government had struck the correct balance between fiscal prudence and social priorities.

Mr Rao emphasised the importance of striking such a balance in his address to scholars and India specialists later at the Nehru Centre. He said that it was a cause for satisfaction that the desire for peace, harmony and socio-economic development among the Indian people had prevailed over false religious slogans and tactics. But this had to be consolidated. In the final analysis what needed to be done was to tackle the causes of social unrest, most of which were quite unrelated to religion. "We want rapid industrialisation, full employment,

meaningful induction of science and technology to subserve our social goals, and a general raising of the living standards, in which I insist on, including the imbibing of the country's immanent value system and cultural moors. The economic reforms we have undertaken are tailored to those objectives and are irreversible," he said.

In the process of change and adjustment, which India has undertaken, three postulates constituted the essential ingredients. First, that the economies of all nations needed to be globalised. Second, that the market was the best available instrument for achievement of the most efficient allocation of resources and that market forces should be generally relied upon to impart dynamism to the economy. And third, the role of the State needed to be reconsidered. Every society had to determine its own set of ends and means. Today, the issue of the means has been largely settled in favour of market forces and freer trade. But the issues regarding the ends, in other words, the determination of the core content of development, remained. In India's conditions, an equilibrium had to be achieved among three factors. First, that level of material benefit which is necessary for a human being to achieve his full creative potential, second, the level of exploitation of nature that would be consistent with the needs of nature to replenish itself, and third, the need to ensure a comparable benefit to the vast masses of people in countries where there are no welfare doles possible. To achieve and maintain such an equilibrium should not be considered stagnation. This level would depend upon and be pre-determined by the natural resources and the technology available at any point of time. To maintain economic activity at such a level, till technological progress achieved by the country raises the level itself, should not be considered a curtailment of the free play of market forces. This should be our considered approach—"the approach, if I may so, of variable constants."

Striking a realistic note, Mr Rao reminded his audience that there could never be a restful moment for India. "We are condemned and privileged to hard toil perpetually."

The Prime Minister was the guest of honour at a luncheon for him by the Indo-British Parliamentary Group, addressing whom he said that the courageous and right-thinking people, whether in Britain or in India were ranged against the challenges of the modern quick changing world. There was poverty and underdevelopment, the inescapable spectre of conflict in many parts of the world. International terrorism, drug trafficking, epidemics like the AIDS and the worldwide threat that religious fundamentalism and fanaticism posed. Through their elected Assemblies, India and Britain stood against the tides that threatened to flow over our hearths and homes. India and Britain could together be a positive force for international peace and stability. Together India and Britain could be a greater force in the areas of global trade, industry and advanced technologies.

### Speech at Runnymede

94AS0270B Bombay THE TIMES OF INDIA  
in English 17 Mar 94 p 13

[Text] London, March 16—The Prime Minister, Mr P.V. Narasimha Rao, today reaffirmed India's solemn commitment to fundamental freedoms as enshrined in the constitution and asserted that "there is no question of any going back on human rights of the individual citizens," reports PTI.

Speaking after paying his homage to the historic magna carta, a source of inspiration and a symbol of freedom under the law throughout the world, Mr Rao said the Indian constitution provides the individual freedoms in no uncertain terms and chapter three of the constitution on fundamental rights was full elaboration of the principles symbolised by the magna carta memorial. The memorial was erected at the spot at which King John and his barons put their seal to charter of magna carta 779 years ago on June 15, 1215.

The Prime Minister unveiled a commemorative plaque and planted an English oak at the memorial on the bank of river Thames at Runnymede in Surrey about 25 km from here to mark significance of this symbol of freedom on India's development of democratic government.

Mr Rao briefly addressed the distinguished audience which had gathered at the memorial in the meadows of Surrey braving heavy showers and a mild hailstorm before the Prime Minister's arrival. The memorial was erected in 1957 by the American Bar Association whose central pillar bears the inscription "to commemorate magna carta, symbol of freedom under law."

The Indian Prime Minister is the second statesman after President, J.F. Kennedy to associate himself with the home of magna carta.

Mr Rao spoke about the human rights situation in India and said those in the administration knew how difficult it was for the government to conform to the stringent law of freedom in the Indian judicial system. "But we are doing and there is no question of going back on the fundamental freedom of the human rights of individual citizens."

Mr Rao ruled out India accepting any "regional" arrangement for nuclear non-proliferation and called for a global and non-discriminatory regime against proliferation.

"Proliferation could not be stopped nor clandestine activity prevented without a global and non-discriminatory regime," Mr Rao told Liberal Democrat leader, Mr Paddy Ashdown, during their 30-minute meeting here on the third day of the Prime Minister's four-day official visit to the U.K. yesterday.

Aboard his aircraft, the Prime Minister said Britain's stand on the situation in Jammu and Kashmir "is not very far from ours."

On the British view on Kashmir, Mr Rao said that its position was not identical to India's "but on the whole it is not very far from our stand."

### Remarks En Route to Edinburgh

94AS0270C Hyderabad DECCAN CHRONICLE  
in English 17 Mar 94 p 1

[Article by S. Viswam]

[Text] On board the Prime Minister's aircraft from London to Edinburgh, March 16: Britain's stand on Kashmir, though not identical with that of India, was nonetheless not very far either, the Prime Minister, Mr P.V. Narasimha Rao said on Wednesday.

Talking to newsmen accompanying him on his visit to the United Kingdom on board his aircraft, the Prime Minister said that the three-point formula being advocated by Britain needed to be studied and analysed further.

He said he was aware of the British position and had seen the three points advanced by the British government in the recent past.

"On the whole," he said, "their position is not identical with ours, but then it is not very far either."

"We will study their position further before making an assessment," he added.

The three points advocated by Britain are first, a resumption of dialogue between India and Pakistan, second the restoration of the democratic process in Kashmir, and third, the cessation of external terrorism in the valley.

India, on the other hand, has been insisting that the Pakistan abetment of subversion and terrorism should cease first as a pre-condition for the normalisation of the situation in the valley. India has made it clear that it is very keen on restoring the political process in Kashmir, and it has also expressed its readiness to initiate bilateral discussion with Pakistan on Kashmir, and if Pakistan was not willing to do so, it was prepared to talk to Pakistan on settling other outstanding bilateral issues.

However, on the broader question of terrorism, which was a crucial element in respect of the Kashmir question, the views of India and Britain converged. Britain appeared to have a better understanding of what India is going through, what it is suffering and what the experience has been. Nothing illustrated better the impact of the "menace of terrorism" than the fact that a visitor to Britain had to go from airport to airport to land or take off to ward off danger from the menace.

The Prime Minister was obviously referring to the fact that following the series of mortar attacks on the Heathrow airport mounted by the IRA [Irish Republican Army] terrorists, his own aircraft had to be diverted to Gatwick, some 50 miles away, similarly, by way of

abundant caution, the British arranged for his flight to Edinburgh from London take off not from Heathrow or Gatwick but from the royal air force base at Brize Norton, which is a two-hour drive from the heart of London.

"Just imagine," said the Prime Minister, "all this happening in their own capital and all because of terrorism. They are experiencing the same kind of terrorism which we have been experiencing. Therefore, there is no elaborate need for the two of us to convince each other about this menace."

Assessing the outcome of his goodwill visit to the United Kingdom, the Prime Minister said it had "gone off very well." His overall impression was that the atmosphere during the visit was great friendliness and greater closeness.

As a result of which both economic and political relations had firmed up on a constructive footing. The thrust of the discussions he had had with his counterpart, Mr Major, as well as with other British Ministers was a combination of both economic and political.

Apart from bilateral issues, he had the opportunity to discuss with them a lot of other issues in the international sphere, such as Bosnia and the crisis in that region. The British Prime Minister had informed him that there had been some improvement in the Bosnian situation and he expected the improvement to continue in the months to come. Asked whether India was being approached to send more troops to Bosnia, the Prime Minister said in the kind of situation which prevailed, there was no point in making new proposals.

The Prime Minister said he had seen newspaper reports in London about the intended purchase of Hawk trainer aircraft by India from Britain. Dismissing suggestions that the deal figured in the discussions, Mr Rao said that decisions in respect of acquisition of military hardware were not taken during visits such as his. There were established procedures for such transactions, and so if there was any impression that the visit was made as a result of decisions on such transactions it was erroneous. The Prime Minister left London for Edinburgh on the final lap of his journey after planting an oak tree at the Magna Carta Memorial, the first time, he said, that any world leader had been requested to do so on the spot where the charter was signed. The rights figuring in the charter were the same as he had been incorporated in chapter three of the Indian Constitution.

### **'Highly Successful Mission'**

94AS0270D Hyderabad DECCAN CHRONICLE  
in English 18 Mar 94 pp 1, 9

[Article by S. Viswam: "A Highly Successful Mission"]

[Text] New Delhi, March 17—"Mission accomplished"—could well be the sentiment governing the outcome of the Prime Minister, Mr Narasimha Rao's

"highly successful" visit to the United Kingdom, from where he flew home on Thursday to continue the implementation of the "middle path" in India's economic reforms.

Mr Rao's visit to Britain was reciprocal in nature. He was returning the visit to India paid by his counterpart, Mr John Major in January 1993. Since it was made at a time when Indo-British relations are marked by an unexpected absence of rancour or recrimination, it was also in the nature of a goodwill visit. The current phase in bilateral relations is characterised by a new level in mutual understanding and cordiality. That by itself is noteworthy as an example of a free nation and its erstwhile colonial master working together in the global arena.

There were no political problems to be sorted out which necessitated a prime ministerial visit. Therefore, the mission to London had another objective, namely, to elevate and broaden the economic cooperation between the two countries. British media described the visit as a business-oriented one and talked in glowing terms about how London was taking or planned to take full advantage of the economic liberalisation programmes of India.

British big business looked at the visit with a kindly eye and good favour. Mr Rao's mission to do the spadework for attracting more and more British investment in India can be said to have been successfully achieved. In Mr Rao's own words, a positive and constructive thrust had been given by his visit to Indo-British political and economic cooperation.

One noticed that throughout his four-day stay in Britain, the contentious issues which normally form the subject of high-level discussions during any interaction between India and countries of the West were either absent or were touched upon only peripherally. Even the present-day controversial themes like human rights, Kashmir, Pakistan and nuclear non-proliferation, over which India is usually at the receiving end were raised and got out of the way quickly, without their impact being felt on bilateral relations.

Instead, the accent was more on investment and how the two countries would like to play the game, almost a new one for India, of investing and reaping profits. It is not without significance therefore that the Indian co-chairman of the Indo-British Partnership Initiative (IBPI), Mr J.J. Irani of TISCO [Tata Iron and Steel Company] described the current status of the initiative as "the wicket is full of runs" and the British co-chairman, Sir Robert Evans of British Gas responded by declaring that the IBPI had a good innings and "we intend to stay at the crease."

Symbolising this mutual desire to continue the partnership is the emergence of the unique document signed during Mr Rao's visit—Indo-UK bilateral agreement on promotion and protection of investments. It is unique because this is the first time in India's post-Independence history that it has entered into such an



agreement with any country. It is also unique because the current size of Indian investment in Britain—a dozen or so joint ventures—would not have warranted the demand for protection. There is a certain measure of logic for Britain to seek such protection. India is a new entrant to the free market and its entry is not marked by across-the-board political endorsement in the country. Knowing that the outcome of the elections in India can never be predicted, and that there is always the possibility of the ballot returning to power a party which may not want to remain in the free market, Britain has good reason to seek protection for its investments in India. The agreement gives them that guarantee and assures them there is no danger of their investments being nationalised or their profits denied repatriation. The agreement itself is a comprehensive document covering a wide range of investments including Intellectual Property Rights. It would ensure that the foreign and domestic investors were treated at par in so far as compensations to investors in specific situations were concerned.

Though IBPI has had extraordinary success during the first year of its operation, the exchange of views between a delegation of Indian businessmen and British industrialists during Mr Rao's visit to London showed that the British continue to have reservations about the course of the economic reforms. For instance, the Indian labour laws generated considerable interest. Some British participants pointed out that India should not take its superior competitiveness in some areas for granted as over-manning led to increased costs which eroded competitiveness. Dr Irani said that labour relations in India is an extremely sensitive subject which had to be handled with care. In other words, while he appreciated the British concern, he could not guarantee an exit policy which would suit the investors. Similarly, British businessmen who were interested in the opening of the insurance sector in India wanted to know whether the Government of India would be open to suggestions from them with regard to further reform and whether the liquidity ratios would be favourable to foreign insurance companies.

Mr Narasimha Rao appears to have returned home convinced that Mr John Major would encourage and bless the private sector investor to go to India on a much larger scale than they are coming now. The implication of his prognosis of improved Indo-British economic cooperation, therefore, means that he found the climate favourable for attracting a greater volume of investment. A good beginning in this direction was made during his visit. The names of the companies involved in the MoUs signed speak for themselves. They are all stable and powerful industrial units like Rolls Royce, GEC, GPT and Peebles Electric. Their involvement in India would add prestige to Indo-British economic cooperation. When big companies come in on their own assured of a fair return, medium and small-sized companies are sure to follow.

Thus, it would seem that Mr Rao's visit generated among British businessmen the necessary confidence in the direction of the economic reforms and the soundness of the current policies. This is a major gain from the visit. It is not everyday that a British Premier hosts a lunch in honour of a visiting Prime Minister and the guest list shows a preponderance of both Indian and British businessmen. The very fact that the two Prime Ministers jointly received the progress report of the IBPI from the two co-chairmen automatically gave the venture full official backing. This was reassuring to Indian and British businessmen alike.

On the political front too, there were gains. Terrorism needs to be deplored, wherever it occurs. But the mortar attacks by the Irish Republican Army (IRA) terrorists on Heathrow, necessitating the diversion of the Prime Minister's aircraft to Gatwick for his arrival, and the choice of a Royal Air Force (RAF) air base for his departure, underlined a point India has been making for the last several years. Terrorism's targets, whether they are Indians or British, are equal sufferers. As the Prime Minister pointed out, being themselves the victims of terrorism, the British were in a better position now to appreciate India's concerns. The implications of Pakistan's abetment of terrorism in the Kashmir Valley, therefore, did not have to be explained by Mr Rao to his hosts nor did he need to be apologetic about the pressures he is under in Kashmir.

The British position on Kashmir has been well known to India. Three points constitute this position: (I) resumption of a substantive Indo-Pakistan dialogue on the basis of the Shimla Agreement; (II) initiation of the political process in Kashmir; and (III) cessation of external support to militants. This position, first outlined by Mr Douglas Hurd in October 1992 has since been reiterated several times both at the official and political levels.

The Kashmir issue was not on the agenda of the summit meeting this time in London: it came up in passing, by way of information-sharing on the current situation. And the British were satisfied by Mr Rao's confirmation that preliminary measures are already on hand to initiate the political process in Kashmir. Mr Rao has returned home reasonably assured that the British are unlikely to make a song and dance about Kashmir and Indo-Pakistan relations in the near future.

The British role in Geneva at the time of the voting on Pakistan's resolution was particularly helpful to India. Britain and Germany were able to prevail upon the other members of the European Union not to support Pakistan. Even on the human rights issue, the British position is mild compared to the strident one of the United States. Thus, on the whole, the stage has been set by Mr Rao's visit to Britain for not only enhanced cooperation between the two countries but also for better mutual understanding. Frequent high-level contacts always result in this, and Mr Rao's just-concluded visit has been no exception.

### Further Details on Rao ESCAP Opening Speech

94AS0268D Hyderabad DECCAN CHRONICLE  
in English 6 Apr 94 pp 1, 9

[All quotation marks as published]

[Text] New Delhi, April 5 (UNI)—The Prime Minister, Mr P.V. Narasimha Rao, on Tuesday strongly denounced attempts by the developed nations to create fresh impediments in the form of "unjustified controversies" that would nullify the comparative advantage to developing countries in the globalisation process of their economies.

Inaugurating the golden jubilee session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) here, the Prime Minister said the successful conclusion of the Uruguay Round of trade related bilateral negotiations should not "countenance any moves to put these concerns on the trade agenda, with the thinly veiled intention to nullify the comparative advantage of the developing countries."

Economic and trade ministers of more than 20 countries are taking part in the week-long 50th session which is expected to express concern over the neo-protectionism attitude being adopted by the industrialised world.

Referring to the new conditions being imposed on the third world by the developed nations, Mr Narasimha Rao said the "legitimate concern for environmental preservation and upgradation should not, however, be made the alibi for raising of protectionist trade barriers, since only augmentation of trade and technology flows would provide the necessary resources for a transition to more environmentally friendly products and processes. On meeting the challenges posed by environment degradation, which was going to assume "gigantic proportions" in the coming century, the Prime Minister advised all ESCAP members to adopt agenda 21 of the Rio declaration on environment development.

The ESCAP session is being held here after a gap of nearly two decades. Last it met here was in March 1975.

Referring to the role of ESCAP the Prime Minister was confident that the deliberations would be distinctly useful and contribute further towards promoting the spirit of regional cooperation for the overall development of this region.

"For Asia and the Pacific region, ESCAP has been the torch bearer and catalyst for economic and social development and has provided an added impetus to the process of growth in this region," he pointed out.

Drawing the attention of the gathering to the disappearance of the super power rivalry and the era of the cold war, he said this had created "expectations of a peaceful future and fostered an environment conducive to the enhancement of regional cooperation.

"The world is witnessing a general movement of the restructuring of economies away from command and control systems to market-based ones. The winds of change have affected Asia also. The unifying forces of development in the region should cement mutual relations and create a climate of confidence and faith," the Prime Minister emphasised. He called upon the member countries to unitedly strive for development of the region.

Referring to the world economic scenario, the Prime Minister said the present recession was creating economic problems. There were other parts, though not developed as yet, that were witnessing substantial and consistently high rates of growth.

"This establishes the complementarity that needs to be exploited for securing overall global welfare," he pointed out. The fast growing economies provide the opportunities that the economies in recession require to achieve revival. It was therefore important that this be understood by the developed and developing countries alike.

Emphasising, that the need of the hour was "cooperation and not confrontation," Mr Narasimha Rao said the countries of the North should appreciate the desire of the developing countries to catch up with the rest of the world. It would be counter-productive to create problems on narrow short-term considerations, he cautioned.

It was in this perspective that the free flow of resources, capital, technology and market access had become more relevant than ever before to give a strong impetus to global economic growth, he said.

On the Asia Pacific region, he said for reasons of history, geography and culture it had gained a distinct ethos which joins together the mosaic of cultures and ethnic groups constituting this region.

The economies of this region had achieved "some of the highest growth rates in the world today," and become the subject of analyses for economic and political planners all over the world.

Trade and flow of investment within the region too had grown phenomenally giving this region the basis for forging a distinct Asian-Pacific identity and unity.

The development of this identity would be realised if the sub-regional cooperation groupings such as SAARC [South Asian Association for Regional Cooperation] and ASEAN [Association of South East Asia Nations] could serve as building blocks towards developing and strengthening inter-sub-regional and region-wise cooperation, he opined. "We are observing a general tendency of national boundaries going down. Even the sub-regional groupings are expanding as is illustrated in the emergence of APEC (Asia Pacific Economic Cooperation)." Stating that it was necessary to address the economic and social issues before us in a wider framework than national/subregional perspectives, Mr Narasimha Rao said there was need for strengthening the

socio-economic development programmes under the "one single umbrella of ESCAP" rather than duplicating and dividing them.

ESCAP should thus play the role of a coordinator and catalyst for the promotion of region-wise trade and economic cooperation and for strengthening the economic ties between the sub-regional grouping.

The Prime Minister said a large number of countries continued to battle against poverty, deprivation and unemployment. "We have to find a solution of these problems, which inevitably involves reforms, but the reforms must have a human face. The pace, range and scope of restructuring programmes should not burden those sections of society least able to bear them.

Massive upgradation of education, health care, housing and transport are called for immediately. Though implementation of policies and programmes to alleviate poverty are primarily the responsibility of member countries, the support of the UN bodies in this gigantic task was essential, the Prime Minister said.

#### **Israeli Official Holds Delhi Press Conference**

94AS0268C Calcutta *THE STATESMAN* in English  
5 Apr 94 p 5

[Text] New Delhi, March 4—Israel would like to see India play an "intensive part" in the multi-lateral peace efforts in West Asia, the Deputy Foreign Minister of Israel, Mr Yossi Beilin, told reporters here today while replying to questions at a press conference.

He hinted at the "limitless" scope of cooperation between the two countries. Though Israel had no specific plans, he said it could sell arms to India and share its experiences in tackling problems relating to agriculture and water scarcity. India and Israel could also join in helping developing countries such as those of the CIS in the former Soviet Union.

He also said that Israel hoped to establish diplomatic relations "very soon" with several Muslim countries that included the Gulf nations, Morocco and Tunisia. These countries were awaiting the implementation of the peace process in West Asia.

Mr Beilin, who had signed an agreement on civil aviation ties between the two countries with Mr Ghulam Nabi Azad, the Union Minister for Civil Aviation, before attending the press conference, spoke warmly of his talks with several Indian leaders of the ruling party as well as the Opposition, including the Foreign Minister, Mr Dinesh Singh, and Mr L.K. Advani, the BJP [Bharatiya Janata Party] president.

#### **Yemeni Foreign Minister Delhi Talks Reported**

94AS0277H Bombay *THE TIMES OF INDIA*  
in English 12 Apr 94 p 15

[Text] New Delhi, April 11—Yemen today extended wholehearted support to India's stand on the Kashmir issue and denounced interference in the "internal affairs of any country by external forces," reports UNI.

The Yemeni foreign minister, Mr Mohammed Saleem Basendwa, who held extensive talks with the external affairs minister, Mr Dinesh Singh, on cross-border terrorism and regional issues, said India and Pakistan should resolve the Kashmir issue through a dialogue. The two countries should not resort to "polemics and violence," he further said.

This was the first-ever visit by a cabinet minister to India from unified Yemen.

He expressed serious concern at the menace of growing fundamentalism and terrorism in the world. He supported India's concern on cross-border terrorism, which pose a serious threat to the country's unity and integrity.

The two sides felt there was a great scope for strengthening mutually beneficial relations in the field of irrigation, telecommunications, health sector and trade.

Mr Basendwa invited investment from India in development projects and also sought training of Yemeni students in professional institutions in India, mainly in areas of engineering, management and electronics.

#### **Nov Return of Envoy Rumored**

94AS0277G Calcutta *THE STATESMAN* in English  
12 Apr 94 p 1

[Article by Subrata Sen: "S.S. Ray Likely to Leave Washington by November"]

[Text] New Delhi, April 11—While the United States is clearing the decks for the appointment of its Ambassador to India, a post lying vacant for about 17 months, the Indian Ambassador to Washington, Mr Siddhartha Shankar Ray, is reportedly preparing to return sometime in November.

Sources said that Mr Ray—during his recent six-day visit to the country—had received an indication that the Prime Minister was not averse to the idea. Officially, Mr Ray denies that he will return by the end of the year.

During an informal chat with reporters, just before leaving for Washington early this morning, Mr Ray said that it was too early to discuss the issue. "There is plenty of time to think about this. In any case I have some more months to serve there," he said.

However, sources said that after getting the indication from appropriate quarters, Mr Ray had asked his family friends to arrange for the renovation of his two houses: one at Friends Colony in New Delhi; the other at Beltolla



Road in Calcutta. Also, he has reportedly asked that the houses be ready by the end of October.

A source added: "If he comes back, he is no more interested in politics in West Bengal but would like to spend more of his time in New Delhi." Incidentally, Mr Ray was the president of the West Bengal Pradesh Congress(I) and a member of the State Assembly, before he was appointed the Ambassador to Washington in November 1992.

It is not clear whether Mr Ray will be involved in politics at the national level once he comes back.

Talking to reporters at his New Delhi residence on Sunday, Mr Ray had said that he would be using his trip to Jammu and Kashmir, where he went to collect "facts" on terrorist activities to consolidate India's position on the issue of Pak-aided terrorism. He claimed that he had collected figures during his two-day trip to J&K [Jammu & Kashmir] for the "purpose of showing that Pakistani interference is still continuing in the Valley."

### Home Minister Opens Intelligence Headquarters

94AS0277D Bombay THE TIMES OF INDIA  
in English 13 Apr 94 pp 1, 17

[Text] New Delhi, April 12—The Union home minister, Mr S.B. Chavan, today ruled out any economic and political package for initiating the political process in insurgency-hit Jammu and Kashmir saying such a package could be given only after the installation of an elected government, report agencies.

Talking to journalists here after laying the foundation stone of a seven-storeyed headquarters of the Intelligence Bureau (IB), Mr Chavan said the government had no objections to having a dialogue with Kashmir militants.

But, he made it clear that talks could be held only under the constitution. "Going beyond the constitution is just ruled out," he asserted.

The home ministry has evolved a country-wide intelligence network to counter the threat posed by the Inter-Services Intelligence (ISI) of Pakistan.

Talking to journalists in Jammu last night the internal security minister, Mr Rajesh Pilot, said that the ISI was trying its best to destabilise and disturb the peace in the country and recent arrests of some activists revealed that they were planning sabotage and create disruption at a number of places in the country.

"We have evolved a co-ordinated approach involving intelligence agencies all over the country to meet the challenge posed by the ISI," he added.

He said that the ISI would not be allowed to succeed in its designs and declared that a lot of success has been achieved through this co-ordinated approach in checking its activities.

He said to check the influence of the ISI in the North-Eastern and "operational command" of seven states had been formed.

Fresh instructions have been given to the IB to meet the senior police and civil officials once a week at the district level to have a clear picture of the situation. "We should be able to prevent a certain event from taking place instead of waiting for it to happen," he added.

Mr Pilot said that a decision regarding starting of a political process and reactivating the administration in Jammu and Kashmir would be taken by the Prime Minister in a few days after consultations with all political parties.

Mr Pilot indicated that the idea of appointing "political advisors" had virtually been given up due to opposition from certain quarters. He said that he had conveyed to the prime minister the need to evolve a certain political mechanism for the Kashmir Valley.

"Political process takes you towards normalisation as politicians can go down to the grassroots level to look into the grievances of the people.

Mr Pilot said that he favoured a political advisory council consisting of politicians and having certain administrative powers to solve the problems of the people.

He said to speed up the developmental works in the state special high level teams from various ministries were visiting the state. "We have already settled about 14,000 of the 18,000 insurance claims cases in the state. Others will be settled very soon."

Mr Pilot said that the Centre was also thinking of setting up of a Kashmir infrastructure reconstruction fund to speed up development activities in areas badly hit by militancy. "The prime minister is also in favour of such a fund and final touches are being given to it," he said.

Mr Pilot said he had conveyed to the prime minister the feelings of various political leaders, including Dr Farooq Abdullah and the state Congress president, Mr Ghulam Rasool Kar, over the delay in announcing some kind of political, administrative and economic package for the people of Kashmir.

Describing the situation in Doda as "complex" Mr Pilot said security forces had been instructed to re-define their strategy and results would follow soon.

Mr Pilot said that although there were limitations regarding the availability of forces, he had ordered additional BSF [Border Security Forces] and CRPF [Central Reserve Police Force] troops for the state.

Referring to some provocations by Pak troops along Indo-Pak border, he said "India is a peace-loving country and we will not be provoked by these pinpricks. However, he said if Pakistan stretched India's patience too far, it would be bad for that country."

**TOINS [Times of India News Service] adds:** The Bharatiya Janata Party (BJP) today demanded that the Prime Minister, Mr P.V. Narasimha Rao, visit Kashmir and take some firm steps to restore normalcy in the state. The party suggested that the government prepare an action plan.

The party spokesman, Mr K.L. Sharma, said the situation in the state was grave, and the Prime Minister should take personal notice of it. He said the government's claim that the situation in the Valley was gradually improving was a "cruel joke."

Meanwhile, the high-level Central team headed by Mr K.R. Venugopal, secretary in the prime minister's office, today held discussions on the overall development of the state with the governor, Gen K.V. Krishna Rao.

An official spokesman said in Jammu the team was with the governor for nearly two hours and issues covered related to Central schemes, rural development, health and education and ways and means of speeding up various works in the state.

#### **Modifications to Export-Import Policy Told**

94AS0268H Bombay THE TIMES OF INDIA  
in English 31 Mar 94 pp 1, 13

[Text] New Delhi, March 30—Expanded list of imports under the Special Import Licence (SIL) covering a host of items, introduction of a new category of super star trading houses, simplification of duty exemption scheme and continuation of value-based advance licensing (VBAL) with some safeguards are the salient points of the important changes in the export-import (Exim) policy, reports PTI.

The modifications announced to the 1992-97 Exim policy by the Union commerce minister, Mr Pranab Mukherjee, in Lok Sabha today, also paid special attention to the simplification and streamlining of the procedural aspects of the Exim policy.

To make the SIL financially more attractive, a number of items relating to healthcare, sports, communication and office equipment, some consumer goods/consumer durables not reserved for SSI [Small-Scale Industry] units and spares and components are being permitted under the modified policy. All existing valid licences and the ones issued hereafter will be eligible for import of these items of payment of normal custom duty.

For import of second-hand machinery, the condition of maximum seven years of age as well as submission of chartered engineer certificate has been dispensed with.

The commerce minister said the important changes being announced in the Exim policy take effect from today.

For deemed exports, the policy is designed to strengthen industrial base by offering more facilities to indigenous manufacturers. The duty-free licence holders would be

able to source their goods from local manufacturers instead of importing the same with an added advantage of deemed export benefits.

The facility of advance release order has been extended to special impres' licences, advance intermediate licences, transferred advance licences and sensitive list items in terms of value.

The powers to grant export promotion capital goods (EPCG) licence, currently centralised in the office of the director general of foreign trade, is centralised, Mr Mukherjee said. Regional officers can now permit imports up to Rs 25 [rupees] lakhs.

For 100 percent export-oriented units (EOUs) export processing zone sector, their areas of activity have been broadened by providing for trading, re-export after repacking and labelling and also repairs, reconditioning and re-engineering.

The requirement of prior approval of development commissioner of EPZs [Export Processing Zone] for inter-unit transfer has been dispensed with. EOUs/EPZ units debonding modalities have been liberalised and procedures for third party exports by these units have been further simplified.

The new policy also has taken away some components required for the manufacture of finished products in the electronic industry. Fishermen can now import outboard motors freely.

Relaxation has been provided for the import of prototypes/samples for product development.

For the import and export of items which are not covered by the negative lists of exports and imports, the restriction of value addition, which was acting as an irritant has been removed.

Under the special import licence, the minister said the fillip provided to the exporters by SIL was not serving the desired objective as the premium on these freely tradable SILs has dropped to very low levels due to general import liberalisation. As such, it has been decided to render the SILs more attractive by including a host of items. However, gold and silver will now be importable against SIL on concessional rate payment of customs duty in foreign exchange, as applicable to incoming passengers, by the holders of EEFC [expansion not given] account.

On VBAL, the minister said a marginal misuse by unscrupulous elements should not be allowed to create hardships for the larger number of genuine exporters.

As such, he said the scheme is being continued with safeguards. Procedures have been simplified under the duty exemption scheme. Minimum value addition under the advance customs clearance permit has been reduced from 15 to 10 percent. Third party exports under the scheme will now be permitted.

Four zonal licensing committees have been set up at Delhi, Bombay, Calcutta and Madras with a view to rendering quick, efficient service and they will permit licences up to Rs one crore in respect of cases where norms have not yet been fixed.

Revalidation and export obligation procedures under VBAL scheme have been further streamlined by permitting regional offices to allow extension up to 12 months. Input-output norms have now been finalised for 3,383 items as against 2,200 on March 31, 1993.

For Small Scale Industry (SSI), it is permitted to increase their capacity by way of investment in plant and equipment beyond Rs 75 lakhs, provided they undertake a minimum export obligation of 75 percent of their annual production.

In a bid to ensure cost effectiveness and in order to make the life of exporters less bothersome, legal undertaking (LUT) has been further rationalised. LUT limit granted to export houses/trading houses/star trading houses which was three times of the last year's exports, will now be five times and in respect of other exporters, LUT limit has been enhanced two times from one-and-a-half times permitted earlier.

Unlimited LUT facility has now been extended to super star trading houses.

Exporters under advance licence scheme can now give the bank guarantee in two parts in respect of licences issued for a value of one crore of rupees and above. In other cases, they can replace their original bank guarantee with a reduced value after completing 50 percent of exports.

The requirement of supporting manufacturer to be indicated in the DEEC [expansion not given] book has been dispensed with.

Handicapped persons can now import cars fitted with special controls. Items relating to computerised braille printing presses, text reading system for visually handicapped, spherical lenses of magnification like spectacle magnifier, hand held magnifier and table magnifier will now be permitted to be imported freely. Artificial limbs for physically handicapped and disabled and frequently modulated hearing aid systems for hearing impaired persons in group situation will also be freely imported, Mr Mukherjee said.

Explaining the details of the new category of super star trading houses, the minister said all those exporters with trade turnover of Rs 750 crores average free on board (FoB) during the preceding three licensing years of Rs 1,000 crores during the preceding year are eligible to become the super star trading houses.

Such houses, he said, would be entitled to the membership of apex consultative bodies concerned with trade policy and promotion, representation in important business delegations, special permission for overseas trading and special import licences at enhanced rate.

### All-India Trade Union Conference Held

94AS0268G Bombay THE TIMES OF INDIA  
in English 17 Mar 94 p 9

[Text] Patna, March 16—The 35th national conference of the All-India Trade Union Congress (AITUC) concluded here yesterday with a call for organisational unification of the trade unions, to wage battle against the new economic policies of the Central government, which, according to it, was dictated by the IMF and the World Bank in the name of free market economy and globalisation.

Briefing mediapersons on the concluding day of the five-day conference, the newly elected general secretary of the AITUC, Mr A.B. Bardhan, said that it was felt at the conference that there should be one union in an establishment, one industrial federation at state and national levels and one central trade union at the national level, which would function democratically and independently. The AITUC had called upon unions at the grassroot level and trade union centres to come together on the basis of a common outlook and common programme of action, he added.

Commenting on the demand of the Centre for Indian Trade Union (CITU) for formation of a confederation of all trade unions, Mr Bardhan said that it could be the beginning, but it was not enough. The merger of trade unions should be the ultimate aim. Hence, the current session welcomed the decision of the AITUC and the Hind Majdoor Sabha (HMS) to constitute co-ordination committees at different levels, with a view to pave the way for an eventual merger. Such a committee at the national level had already been formed, Mr Bardhan said.

The resolution, adopted at the conference, says that transnational corporations are being given free access almost in every sphere and public sector enterprises are being systematically dismantled. Workers and employees are facing the grim prospect of closure, retrenchment and mass unemployment under the new economic policies. Alongside this, national unity and integrity are being endangered by communal and other divisive forces. The country's independence and sovereignty are under grave threats.

The resolution on minimum wages adopted at the conference pointed to the fact that much larger section of workers were in the unorganised sector and there was disparity in wages in various states and hence this disparity within a region should be removed.

### Disunity in Bengal Congress Seen Profound

[Article by Suman Chattopadhyay: "Congress Party Faces Disunity in Every State But the West Bengal Case Is Exceptional"]

[Excerpts] The question of whether or not two fellow travelers converse with one another arises only in the



Congress (I). This is the situation we find today between Somen Mitra and Mamata Bandopadhyay.

Disunity within the Congress (I) is routine news. Unity is the exception. This is important in the case of Somen, Congress's elected president [in Bengal] and Mamata, Congress's most popular leader [in Bengal]. They have been at odds with each other for years and are only now talking of unity. Five years ago, Somen Mitra never dreamed that he, the general, would have a lieutenant named Mamata. Times change, however, and he has survived [while opposing Mamata] only due to others standing beside him. Many of those, however, who stood beside him, have gone their separate paths. At that time also, Somen and Mamata had not intensely clashed. Their rivalry has grown in its intensity. So what has happened to cause them to sound a unity theme?

The answer lies in Delhi. Somen's writ ran out in April. Congress's working committee in Delhi made a decision that state organizational leadership will be determined by Narasimha Rao. Now both Somen and Mamata want to be seen by Delhi as guiding a unified Bengal Congress. One seeks to hold onto the reigns of power while the other, who saw it slip away two years ago, wants to appear disciplined in the effort to gain power. So both have adopted the same strategies though their factions remain intact. The strategy works only on paper. [passage omitted on meetings in Delhi]

If Somen and Mamata really want to work out their differences, they do not need Delhi's help. They can give Bengal Congress a new face. This unity, however, will elude them. Those who with Somen, opposed Mamata, will not allow unity, forming a new faction if necessary. By resigning from his post as State Party Vice-President, Subrata Mukherjee has done just that. Mamata will also lose many in her faction by standing with Somen. Neither wants to take this huge risk too far.

It is not just this state's Congress party which experiences disunity. In fact, if we open our eyes, we will see it like this most everywhere. In Tamil Nadu, G. K. Mupaner and Ram Murti, A.K. Anthony and Karunakaran in Kerala as well as Vijay Baskar Reddy and Raj Shekhar in Andhra Pradesh all have competing factions. So do Madhav Singh Solanki and Prabodh Rabhal in Gujarat, Sharad Pawar and Shankar Rao Chavan in Maharashtra and Arjun Singh and Vidhya Charan Shukla in Madhya Pradesh. Even Jagannath Mishra and Sitaram Keshari of Bihar and Tripura's Sudhir Mazumdar and Samiranjan Barman have factions. At times, factional fighting in these regions is more severe than that in Bengal.

Congress' image in states ruled by the Left Front or by Janata Dal factions is decidedly worse. But factionalism is not the cause of losing elections. Bengal serves as the perfect example of this. The constant fighting and hair-pulling [backstabbing] between leaders is what loses elections. This is hard to prove with statistics.

It is arithmetic which argues against Congress winning elections in Bengal, not factionalism. Jyoti Basu and the CPM [Communist Party India-Marxist] have won four consecutive elections due to arithmetic being in their favor. [passage omitted on election results]

Congress sees an opportunity before it now. Somen and Mamata each have the ability to confront the leftists as Narasimha Rao and Manmohan Singh have at the national level. But they will not take this path. They proved this by not challenging CPM over the state budget and by not being vocal over Dunkel [Signing of the GATT Treaty], allowing CPM to claim whatever it wanted. Somen Mitra, instead spent all of his energy fighting Youth Congress leader Mamata Bandopadhyay. Maybe this is why Delhi is now beginning to coerce unity.

## Rajendra Singh New Head of RSS

### Career Reviewed

94AS0276A Hyderabad DECCAN CHRONICLE  
in English 16 Mar 94 p 1

[Article by Ashok Row Kavi: "RSS Too Plays the Caste Card"—all quotation marks as published]

[Text] Bombay, March 15—It is about as revolutionary as the Princes of the Roman Catholic Church electing a black bishop as Pope. A little over half a century after it was born as the Brahminical response to the challenges of colonial India, the Rashtriya Swayamsevak Sangh (RSS) has a 'Sarsangchalak' from the non-Brahmin castes within the Varna-system.

The 79-year-old faltering head of the RSS, Balasaheb Deoras (Dada to his close circle), has stepped down; in line with RSS heads nominating their successors, Deoras has hand-picked Prof. Rajendra Singh, as his heir.

Brushing aside the close coterie of South India Brahmins who have risen fast within the gargantuan body that will carry on the mandate of 'Hindutva', Deoras has broken with the past.

Prof. Rajendra Singh, Rajju-Bhayya to the Sevaks, the first non-Brahmin to head the RSS, comes from the backward Kshatriya castes of the cowbelt. The battle with both the forces of Mandal and Kanshi Ram has now been truly joined.

For the last 10 years, it was Rajju-Bhayya's mandate to expand the incredible social net of the RSS into backward areas like slums and Dalit *bustis*. This appointment is, therefore, a clear indication to Brahmins that the RSS is serious about its mission to broaden its cadre. It is also a snub to the Pune-Nagpur Chitpavan-Deshasth-Kokanasth Brahmin elite of Maharashtra; they have been effectively sidelined by the old man himself.

As the saying in the Konkan goes, the Mother Banana Plant kills herself to let her daughter grow. In a similar

fashion, the RSS is now sidelining the Brahmins to accommodate the great big push from below. However, unlike the chaotic political electoral process the RSS is doing it systematically, opening up its powerlines to let the backward caste muscle rise to the top.

Rajju-Bhayya, like Deoras, started as a common foot soldier in the formative years of the Sangh. Both remain bachelors and have worked together right from the beginning. Prof. Rajendra Singh has cut his teeth as the General-Secretary and has maintained close contacts with Marxists in Allahabad University where another illustrated RSS-ite worked in the faculty—Dr Murlī Manohar Joshi. Hence, he is eminently suited to bridge the widening gap between the RSS and Bharatiya Janata Party in the coming future over the RSS' new Swadeshi policy.

Prof. Rajendra Singh, against great odds, first pushed the RSS to a positive discrimination towards backwards and Dalits. It was said to be his idea to get the ground broken at Ayodhya for the Shilanyas by a Dalit. This has empowered numerous Dalit castes like the Valmiki, leather workers like Chamars and even agricultural tribals like the Dangs and Mangs to join the RSS in 1989.

It was also during his tenure as General Secretary that the RSS started analysing the Mutiny and the national movement in material terms. The ORGANISER had a series of articles on a proto-Marxist analysis of the rising bourgeoisie who were crushed by the British during the Mutiny in 1857 which is at variance with the Marxist analysis that it was a purely feudal revolt.

Prof. Rajendra Singh will now have to coordinate the RSS' new focus on Ayodhya and face up [to] the Mulayam-Kanshi Ram Axis which will seek to pit the backward-Dalit castes against the upper castes. He knows full well that whereas the backwards have both the muscle and monetary power, the Dalits have the mass base.

The alliance between the two is basically unstable: if the Mulayam-Kanshir Ram regime goes in for serious land reforms, it loses the backward-kulak social base of the Samajwadi Party and if it doesn't, it loses its landless Dalit constituency. Either way, the RSS stands to gain.

### Press Conference

94AS0276B Hyderabad DECCAN CHRONICLE  
in English 19 Mar 94 p 9

[Text] New Delhi, March 18—The newly-appointed Sarsanghchalak of the Rashtriya Swayamsevak Sangh (RSS), Prof. Rajendra Singh, on Friday described the Supreme Court judgment regarding invocation of Article 356 of the Constitution to dismiss State governments as "controversial" which needed interpretation and elaboration by legal experts.

Addressing his first press conference after his elevation to the top post in the RSS, Prof. Singh, who is popularly known as Rajju Bhayya, said his personal feeling was

that the apex court had not appreciated the depth of the issue. Article 356 had been a part of the Constitution from the very beginning, whereas the word "secularism" was introduced in the mid-70s during the Emergency. The judgment appeared to place undue emphasis on this later entrant into the Constitution. It was foolish for anyone even to suggest that the majority community needs to be educated about secularism, it being an integral part of the Indian heritage, he said.

Dwelling on the concept of "Hindutva" as espoused by the Sangh Parivar, Prof. Singh said he welcomed the ongoing debate on the subject. For him the word signified the entire spiritual and cultural background of the country. It had nothing to do with anyone's personal faith, but the general loyalty to the nation. Unfortunately, there was a leadership in this country which did not allow this to be appreciated by a section of the people, he said.

Reiterating his organisation's commitment to persist with the Ayodhya movement, the RSS chief said construction of a temple at Ayodhya would be the first priority even as it considered the liberation of temples at Mathura and Varanasi as important.

Prof. Singh, who maintained that the various wings of the Sangh Parivar were totally independent of each other, nonetheless willingly answered questions on various Bharatiya Janata Party (BJP) leaders. He defended the BJP president, Mr L.K. Advani's remarks abroad supporting the government's economic policies. Criticism as an Opposition party did not mean that one runs down his own country's government in foreign countries. At the same time, it was not far off the mark that the BJP did welcome some aspects of the ongoing liberalisation process. It supported the simplification of procedures internally but not the unhindered entry of multinationals into the country. Definitely not for potato chips and coke, he said.

Mr A.B. Vajpayee had been sent by the government for the human rights meet at Geneva because of his vast experience and knowledge of foreign affairs and also because of his personal contacts with leaders of different countries. His efforts to ensure that the national prestige was held high at the international forum did not mean that the BJP was joining hands with the Congress, Prof. Singh stated.

Reacting to the reverses the BJP suffered in last year's Assembly elections, Prof. Singh said the results were not as bad as was being made out. Secondly, there was an element of chance in elections and a political party which loses one election comes back to power in the next. Another factor he identified was the ban on the RSS which had made it difficult for its volunteers to work for the party.

### Interview With RSS Head Singh

Calcutta *THE STATESMAN* in English 22, 23 Mar 94

[Two-part interview with RSS Head Rajendra Singh by Gopal Sharma in Keshav Kunj on 19 Mar]

[22 Mar p 1]

[Text] *Appointed recently the chief (sarsanghchalak) of the Rashtriya Swayamsevak Sangh (RSS), Rajendra Singh spoke to THE STATESMAN's Gopal Sharma at Keshav Kunj, the RSS headquarters in New Delhi, on Saturday. Excerpts:*

**THE STATESMAN: Were you expecting to be nominated as sarsanghchalak?**

**Rajendra Singh:** The process of choosing a successor to Balasaheb Deoras had started three years ago because of his deteriorating health. There were six top-ranking RSS leaders who were being considered as probable successors to him. They included Abhaji Thatte, Sudershanji, H.V. Seshadri, Suresh Rao and Moropant Pingle besides myself.

Three months ago, Deorasji had come to Delhi and indicated that he wanted to relinquish office. I had pleaded with him to nominate a younger person so that he could have a long tenure in office. But he was determined to choose his successor.

The normal procedure of selection is that the reigning *sarsanghchalak* must consult the 20-member working committee and also ascertain the views of 120 special invitees to the committee. He had done it and made up his mind. My name as his successor was announced by him at the Akhil Bharatiya Pratinidhi Sabha of the RSS held at Nagpur on March 11.

**What is it that Balasaheb Deoras is suffering from which compelled him to choose his successor during his lifetime—contrary to the established practice of leaving the name of the successor in a sealed envelope that must be opened after the *sarsanghchalak*'s death?**

Deorasji has been suffering from blood pressure and diabetes for the past 30 to 35 years. Besides, he underwent a prostate operation and had a mild paralytic attack. All these ailments made it extremely difficult for him to discharge his duties.

**What are your views on choosing your successor?**

I will keep on working so long as I find myself physically fit. As far as choosing a successor is concerned, this will be finalized during my lifetime. And that is going to be the new succession policy in the RSS. Life being what it is, anything can happen to anyone anytime.

**It is alleged that Balasaheb Deoras was a weak-hearted leader who wrote eulogistic letters to Indira Gandhi during the Emergency to secure his own release from detention.**

Nothing of that kind happened. Our adversaries had been threatening us that they would expose the RSS.

All that Deorasji had said in his letter to Indira Gandhi was that since the Government had made all kinds of investigations and could not prove that the RSS was out to overthrow her Government, it was time they held talks about nation-building.

**Many people, particularly the minorities, feel that the RSS is a fascist organization that is working to create a "Hindu Rashtra" behind the facade of a cultural organization.**

Those who accuse us of being a fascist organization obviously know nothing about the origin and growth of fascism in Europe. There the ideology of socialism was used to capture political power by a political outfit.

We are not aspiring to capture political power, to impose any kind of ideology on the nation. All that we want is that national politics should have a pronounced pro-Hindu tilt. We are totally against the creation of a theocratic State. India has never been a theocratic state and should never be.

[23 Mar p 1]

[Text] **THE STATESMAN: The Sangh Parivar has been accused of waging a veritable war on the Muslims. What it has done at Ayodhya is now having its reverberations in distant Pondicherry and Hubli in Karnataka.**

**Rajendra Singh:** Reclamation of the three Hindu shrines at Ayodhya, Mathura and Varanasi is the programme of the VHP [Vishwa Hindu Parishad (vernacular)] which we support. Perhaps they are right in claiming only three Hindu temples in lieu of demolition of 3,000 or more of their temples. It would have made a qualitative difference in Hindu-Muslim relations had the VHP been permitted to construct a Ram temple at Ayodhya.

I have no comments on developments in Pondicherry and Hubli.

**What would be your priorities as RSS chief?**

I would endeavour to strengthen Hindutva and accelerate the tempo of constructive work like slum improvement. During the centenary celebrations of K.B. Hedgewar in 1989, the RSS had collected about Rs 10 crores from the public. Much of this money was channelled into slum-improvement schemes.

In Delhi we have been active in this field since 1978: currently, nearly 700 slum-improvement programmes are under way in the capital. Besides teaching the slum dwellers skills like sewing, we try to bring people belonging to scheduled castes and tribes into the Hindu mainstream. And our success rate has been quite impressive.

**What is the relationship between the RSS and the BJP [Bharatiya Janata Party]? Is the BJP your political wing?**



No. The BJP is an independent organization—they take their own decisions. It is true that it is a like-minded party; their leaders meet us off and on and we discuss many things. But they don't take any dictation from us. Nor do we impose anything on them.

**And what is the relationship between the VHP and the RSS? Is the VHP a religious wing of the RSS?**

Again no. The VHP is also an independent organization that takes its own independent decisions. Suffice it to say that our front organization, including the BJP and VHP, work for a "common cause."

**Has the reported political understanding between the BJP and the Shiv Sena your blessings then?**

Their political understanding has nothing to do with us. They are free to strengthen it or terminate it.

**Does the RSS believe in socialism?**

If socialism means State control, then our answer is that we are against it in all walks of life. We want minimum State control in the lives of the people.

**Since the founding of the RSS in 1925 till you took over, all its sarsanghchallaks had been Brahmins. Did this happen by coincidence or by design?**

It was a coincidence. Till 1937 the work of the RSS was confined mainly to Nagpur. It was in 1937 that Dr Hedgewar sent swayamsevaks to Delhi, Punjab, Uttar Pradesh and Calcutta.

In 1940 he died and Guru Golwalker—a Brahmin—took over. In 1973 Guru Golwalker died and Balasaheb Deoras took over. He too was a Brahmin.

But let me remind you that between 1925 and 1940, a majority of leaders in the Congress, Communist Party, Hindu Mahasabha and RSS were Brahmins—Tilak, Pandit Nehru, S.A. Dange, V.D. Savarkar and Dr Hedgewar. The exceptions were Mahatma Gandhi and Sardar Patel.

So it was natural that the leadership went into the hands of Brahmins. Today we have a wide variety of leaders belonging to various castes.

### **RSS 'Mouthpiece' Interviews Rajendra Singh**

94AS0275A Bombay THE TIMES OF INDIA  
in English 29 Mar 94 p 10

[Text] New Delhi, March 28 (UNI)—Prof Rajendra Singh, the new Rashtriya Swayamsevak Sangh (RSS) chief has said demands for restoration of Hindu places of worship all over the country were bound to crop up as long as the "three most sacred places of Hindus" are not handed over to them.

Referring to the Hindu Munnani's agitation in Pondicherry, demanding that a cathedral be handed over

to Hindus as it was originally a temple, Prof Singh said "Such things are bound to happen."

He, however, said he was not justifying the Munnani's actions and added that there were hundreds of institutions and places of worship in the country which originally belonged to Hindus.

"We had, therefore, said that if you give away the three most sacred places (Kashi, Mathura and Ayodhya), then the Vishwa Hindu Parishad (VHP) would, in all probability, be able to mollify the Hindus and tell them not to worry about the other places," he said.

"If there is delay then some such unforeseen problems would crop up. It is the delay which, I think, is responsible for the escalation," Prof Singh said in an interview to ORGANISER, the RSS mouthpiece.

Asked to spell out how he proposed to resolve such problems, Prof Singh said, "You can't say. In one place you find that the facts are very clear and so strong that the government is trying not to do anything."

"If you (government) don't satisfy the Hindu society in these matters, which are of great relevance and importance to us, then the question of thousands of mosques standing on Hindu temple sites will be raised and there will be nobody to douse the Hindu anger," he felt. "Today, the VHP is a formidable body. They can say that they have decided to press for the three holiest of holy places and that they would not ask for more. This will be symbolic," he stressed.

"But even if such a symbolic gesture of goodwill is not appreciated, then certainly your voice loses the power of persuasion. You cannot tell the Hindus to keep quiet. You can't tell them not to start new problems," he observed.

He accused the government of trying to gag the voice of the VHP by banning it. He pointed out that the supreme court had decided the case on the Jamaat-e-Islami and not the VHP, though both were simultaneously banned.

Asked to comment on the BJP [Bharatiya Janata Party] describing Hindutva as its "ideological mascot," the RSS chief avoided any direct comment. "It is for them to say what they like about their policies. At the same time, how can one forget that they (BJP) have opposed GATT and the Dunkel proposals?" he asked.

On the present Samajwadi Party-Bahujan Samajwadi Party (SP-BSP) government, he said it was a passing phase, "not a very significant phenomenon" and which may not have a lasting effect on the nation's political equations. It was difficult to say long that government would last, he added.

"But the mutual contradictions between them (SP-BSP) and their internal dissent are so acute that unless they exercise extreme caution, they would not be together for long," he predicted.

The RSS weekly wanted to know its chief's comments on the BSP general secretary, Ms Mayawati's statement to "finish off Gandhism" and her pitting Gandhiji against Dr Ambedkar.

He said the BSP had not vowed to finish Gandhism. "Strangely enough, earlier, its leader, Kanshi Ram, had criticised Dr Ambedkar. In Maharashtra, he had said Harijans would not make any progress unless they denounced Dr Ambedkar," he pointed out.

"His (Kanshi Ram's) argument was that whereas he treats the Dalits as equal partners, Dr Ambedkar made them beg for their rights. In his own style, he tried to belittle Dr Ambedkar. But when he realised the tremendous work done by Dr Ambedkar and the admiration he commands among the backwards, Kanshi Ram had to change his tracks," he added.

"Now the same people—Kanshi Ram, Mayawati and company—are keen on projecting themselves as followers of Ambedkar. This is something new," he noted.

The RSS chief alleged that Mr Kanshi Ram had accumulated funds which, according to him, confirmed his "foreign, American and Christian connections."

Prof Singh felt that Dalit politics could never take deep roots in Uttar Pradesh as it had in Maharashtra.

**Rajendra Singh Makes First Speech as RSS Head**  
94AS0277J Calcutta THE STATESMAN in English  
11 Apr 94 p 1

[First paragraph is THE STATESMAN introduction]

[Text] New Delhi, April 10—In his first rally after being appointed the Sarsanghchalak, Singh laid the blame squarely on the Government for the demolition of the Babri Masjid at Ayodhya.

The chief of the Rashtriya Swayamsevak Sangh [RSS], Mr Rajendra Singh, today justified the demolition of the Babri Masjid at Ayodhya and exhorted the Muslim leaders of the country to hand over the religious sites in Mathura and Varanasi "since it is not of the same importance for the Muslims as it is for the Hindus."

He added that such an action would go a long way in restoring confidence of the Muslim community in the minds of the Hindus. He then went on to say, "We are all sons of the same soil and equal in all respects before the eyes of the law."

Mr Singh was addressing his first RSS rally after being appointed the Sarsanghchalak. He laid the blame squarely on the Government for the demolition of the Babri Masjid since, he said, it had failed to find a solution to the problem. "No one else but the Government is responsible," he told the estimated 25,000 RSS volunteers, who had gathered at the Ramliya grounds on the occasion of the Varsha Pratipada Utsav, the Hindu New Year Day.

In his hour-long address, Mr Singh touched on a wide range of issues.

**On GATT:** He charged the Government with what he called sacrificing the interests of the nation by deciding to sign the draft of the General Agreements on Tariff and Trade in Marrakesh on April 15.

He said he wondered why the Government was keen on signing the treaty when India's share in the volume of international trade was a meagre 0.5 percent. On the contrary, it would be more advisable to sign bilateral treaties with trading nations, he said, since that would, by itself, raise the share of the country in world trade.

He said that the Government was going ahead with its decision to sign the treaty when the external debt of the country was a staggering Rs 240,000 [rupees] crores as compared to Rs 17,000 crores in 1980.

**On Kashmir:** Criticizing the recent moves by the Government to initiate the democratic process in Jammu and Kashmir, Mr Singh said that the Centre's efforts would be futile since the militants continued to hold sway in the Valley.

**On the N-issue:** Regarding the question whether India should go nuclear, Mr Singh said that possessing nuclear weapons did not mean that India would launch a nuclear attack on any country.

**On politics:** Without naming the Congress(I), he charged it with breaking up the Telugu Desam Party and the Janata Dal(A) to ensure that it secured a majority on the floor of the House. Speaking about corruption, he said that the Government was, itself, not setting a good example for the people to follow. "Otherwise, how could a minority Government attain a majority?" he said.

Also present at the rally, were Ministers in the Delhi Government, Mr Sahib Singh Verma, Mr Lal Behari Tiwari, Mr Jagdish Mukhi, and leaders of the BJP [Bharatiya Janata Party], Mr Vijay Kumar Malhotra and Mr Kedar Nath Sahni.

**Congress-I Adopts Plan for Nov Polls**  
94AS0268B Hyderabad DECCAN CHRONICLE  
in English 5 Apr 94 p 1

[Text] New Delhi, April 4 (PTI)—The Congress-I Working Committee [CWC] on Monday adopted an action plan to face the November Assembly elections in Karnataka, Andhra Pradesh, Goa and Sikkim.

Under the action plan, party-oriented election campaign will be launched from August first and multi-channel assessment system introduced for selection of candidates for the polls.

District and Pradesh Congress-I Committee Presidents will not be given tickets to contest the elections and instead they will be asked to concentrate on campaign.

the party spokesman, Mr V.N. Gadgil, told newsmen after a three-hour crucial meeting of the CWC.

The working committee decided that bodies of Pradesh Congress-I Committees and the AICC [All-India Congress Committee] would continue as no organisational elections could be held this year.

As regards the executive bodies at different levels, after the expiry of the term in April/May this year, they may also be continued but may be reconstituted by the party President, Mr P.V. Narasimha Rao, wherever necessary, in order to make them more effective.

The CWC took strong exception to the anti-party activities by some members in the last Assembly elections and decided to initiate disciplinary action against them.

Asked to identify those facing action, Mr Gadgil said that they were mostly DCC [District Congress Committee] presidents and clarified that no PCC [Pradesh Congress Committee] President was involved.

Apart from elections scheduled in the four States, the Congress-I ruled States of Maharashtra and Gujarat and the Janata Dal-ruled Bihar may also opt for an early poll.

The CWC also discussed the Dunkel draft and decided to launch a campaign to blunt the onslaught of the Opposition, which, it felt was misleading the people on the issue.

Though the present term of the Congress-I Committee at all levels comes to an end in April/May this year, the CWC will remain unaffected, Mr Gadgil said.

Explaining other provisions of the action plan, Mr Gadgil said that it sought appropriate representation to women, minorities, scheduled caste, scheduled tribe and backward classes in all Congress-I committees.

It provides for appointment of spokespersons for all the PCCs and launching of membership drive fortnight in June and July.

Frontal organisation and party cells should be allowed to conduct their own membership drive and multi-channel assessment system should be introduced for selection of candidates.

### **BJP Executive Meets in Hyderabad**

#### **Press Conference**

*94AS0274A Hyderabad DECCAN CHRONICLE  
in English 21 Mar 94 p 4*

[Excerpts] Hyderabad, March 20—The Bharatiya Janata Party [BJP] will begin preparations for the forthcoming elections in 10 States on Monday, when the party's National Executive will discuss the poll strategy at length.

Briefing newsmen about the deliberations of the first session of the Executive meeting here on Sunday [20

March], the party general secretary and spokesman, Mr Krishan Lal Sharma, said the party's Central Election Committee will hold a meeting on Monday morning to chalk out the programme. [passage omitted]

Mr Sharma said the main issue on the first day's agenda was the economic scenario in the country, including the Dunkel's proposals and the post-budget situation and its fall-out. He said the Executive would come out with a resolution in this regard. To a question, he said the party would hold a massive rally against the Dunkel proposals in New Delhi on April 6 and the Executive would discuss the preparations for the rally. Though the party had held several dharnas and rallies in different States, this rally would be its first major programme at the national level. The rally would prevail upon the Centre not to sign the Dunkel draft as it would be detrimental to the farming community, he said and added that the party would decide the future course of action after April 6.

Replying to a volley of questions on the issue, Mr Sharma said the party would wait for the outcome of the March 29-30 special session of the Lok Sabha before taking an official stand as to whether it would demand the withdrawal of India from the General Agreement on Tariff and Trade (GATT). He denied the reports that there was confusion within the party over India signing the multi-lateral trade treaty. "What was the need for the government to take such a hasty decision to sign the agreement. It should have discussed the issue with the Opposition," he opined.

He said the BJP [Bharatiya Janata Party] would not approach other Opposition parties to launch a common struggle against the Dunkel proposals. "We cannot take the initiative in this regard as all other opposition parties are against us. If any of them invites us to share the platform, we will accept it. But unfortunately, there is no indication at all about a united action programme against Dunkel among themselves," he said.

To a question, Mr Sharma said Ayodhya remains top on the party agenda. The issue has brought in polarisation of political forces in the country between secularists and pseudo-secularists. It had given the BJP a break in the political scene, he said. However, the issue was not discussed at the present Executive meeting, he added.

The BJP National Executive meet began in the morning with the welcome address by the State unit president, Mr V. Rama Rao, which was followed by felicitation to the veteran leader, Mr Atal Behari Vajpayee, for his achievement in thwarting the attempts of Pakistan in raising Kashmir issue at the United Nations Commission on Human Rights at Geneva recently. Later, the party president, Mr L.K. Advani, delivered the inaugural address. The Executive adopted the resolutions and other issues on the agenda to be discussed during the three-day meet.

Later, the former Chief Minister of Uttar Pradesh, Mr Kalyan Singh, presented a report on the deteriorating law and order situation in his State during the last 100



days of Mulayam Singh Yadav's rule. He told newsmen that as many as 65,000 crimes were committed during this period, which included 2,259 murders, 1,050 kidnappings, 2,000 robberies, 565 dacoities and 49 rape cases.

### Advani Opens Meeting

94AS0274B Hyderabad DECCAN CHRONICLE  
in English 21 Mar 94 p 1

[All quotation marks as published]

[Text] Hyderabad, March 20—The Bharatiya Janata Party President, Mr L.K. Advani, has asserted that Hindutva is the party's 'ideological mascot'—the most distinctive feature of its identity and approach—and not a mere slogan.

In his opening remarks at the three-day National Executive meeting of the party which began here on Sunday, Mr Advani said Hindutva had been the hallmark of the party well before Ayodhya and would continue to be so "even after a magnificent Ram temple at the birth place of Rama becomes a fact of life."

He said the BJP believed that Indian secularism had its roots in Hindutva and the nation was secular because it was essentially Hindu. Theocracy was alien to Hindu tradition and history, he said.

Referring to the comments of the party's detractors on the 'retreat of Hindutva' in the wake of the recent defeat of the party in the Assembly elections in the north, Mr Advani said that though the results had not measured up to the expectations of the party, they were in no way a setback to the party's ideology.

Mr Advani said for nearly four decades of Indian independence, Indian politics had been dominated by one single party—the Congress and all the elections were a combat between the Congress camp and non-Congress camp. In other words, elections were essentially a power struggle between the political haves and have-nots. Ideology was irrelevant to the confrontation.

"But the Ayodhya movement has changed all this. It has precipitated a national debate on what is the content of Indian nationalism and what is the true meaning of secularism as conceived by India's Constitution makers," he said.

The BJP believed that India was one country and that Indians were one people and the basis for this oneness was its age-old culture. "This concept of cultural nationalism is Hindutva," he asserted.

The BJP president said the Ayodhya movement had left such a deep impact on the people that even the worst opponents of the BJP had been forced to do some rethinking. Anti-BJPism might continue to be the great secular consensus but this was tempered by a grudging

accommodation of Hindu sentiment. None of the parties talked any longer about reconstructing the Babri mosque at the site, he said.

Mr Advani said the politics of minority vote-banks had given birth to pseudo-secularism and the party had been carrying on a relentless crusade against it. "The Ayodhya movement marks a significant break-through in our efforts. The agitation enabled us to focus on Hindutva as an effective alternative to pseudo-secularism," he added.

Mr Advani described the talk about restarting the political process in Jammu and Kashmir as meaningless. While the situation in the State was so alarming, all that the government was doing was making periodical announcements about holding elections and restarting the political process. There was a total bankruptcy of policy on the domestic front, he said.

The first and foremost need was to restore the administration and curb insurgency in the valley with a firm hand, he said and suggested that if Pakistan's proxy war was to be defeated, its agencies in the administration must be ruthlessly weeded out.

It was a pleasant surprise to the BJP to find the government and other parties responding positively to its suggestion that Parliament adopt a unanimous resolution to let the international community know what was the nation's bottomline on the Kashmir issue, he said.

The party also took pride in the achievement of the Indian delegation led by Mr Vajpayee at the UN Human Rights Commission meet at Geneva in defeating Pakistan's bid to malign India, he added.

### Briefing on 21 Mar Session

94AS0274C Calcutta THE STATESMAN in English  
22 Mar 94 p 6

[Article by Stanley Theodore: "BJP Moots Panel To Decide on Disinvestment"; first paragraph is THE STATESMAN introduction]

[Text] Hyderabad, March 21—Meanwhile, the pro-Advani group at the BJP executive meeting has thwarted a move to amend the party constitution to make the president's term of three years.

The Bharatiya Janata Party today demanded that a "disinvestment commission" be set up by the Centre to decide on the mode and timing of disinvestment of public sector units.

The party leader, Mr Murli Manohar Joshi, briefing the Press on the second day of the party's national executive meeting here, said that this commission should comprise financial experts, bankers, share brokers, trade union leaders, investors and Government nominees.

He said that though this step would lead to privatization, it had to be related to the exit policy. He said that the aims of disinvestment should be made clear.

The BJP today released a statement calling for a total rejection of the GATT proposals. Mr Joshi said that India can get out of GATT and cited China as an example.

While adopting a resolution on the Union Budget, the BJP demanded the following:

- A ceiling on borrowings—both internal and external—through a legislation under Article 195 of the Constitution.
- "Preferential treatment" given to multinationals vis-a-vis domestic industries be stopped.
- A complete ban on entry of multinationals into the consumer goods sector.
- The proceeds from the dis-investment in PSUs [public sector units] be used exclusively for retiring national debt so that the interest liability could be reduced.

**Agencies report:** Meanwhile, the pro-Advani group in the party has succeeded in thwarting the move to amend the party constitution to make the party president's term of three years instead of the existing two consecutive terms of two years each.

This amendment had been proposed by the S.S. Bhandari committee and has been the subject of heated debate in the party.

This and other amendments were circulated among the BJP leaders late last night, and were to be discussed today. But later, this amendment was deleted.

**Nuclear deterrent:** The party president, Mr L.K. Advani, today said that India had "no option but to develop a nuclear deterrent in view of the hostile attitude of its neighbours."

He told reporters here that Pakistan had been claiming that it possessed nuclear weapons and recent newspaper reports in the United States had only confirmed this. He added that with the United States deciding to supply F-16 fighter aircraft to Pakistan, the arms race in the sub-continent would escalate further. He added that Pakistan was not likely to go in for a "hot war" with India since it would not get much mileage out of it.

Pakistan's decision to close down its consulate in Bombay, Mr Advani said, was prompted by its setback at the human rights meeting in Geneva recently.

**Kashmir issue:** Mr Advani said that the victory at Geneva had not brought the country "an inch closer" to finding a solution to the Kashmir problem. He added: "Anyone can appreciate that the jawans cannot win a war with their hands tied behind their backs, as it exists now."

**Alliance:** Asked if the BJP would sound the All-India Dravida Munnetra Kazhagam for an alliance in Tamil Nadu, Mr Advani said elections in 10 States this year would be discussed at the party meeting later today. All

the party units in these States had been asked to concentrate on building up the party and not think of alliances, he said.

### Report on Closing Session

94AS0274D Hyderabad DECCAN CHRONICLE  
in English 23 Mar 94 p 9

[All quotation marks as published]

[Text] Hyderabad, March 22 (UNI)—The National Executive of the Bharatiya Janata Party (BJP) on Tuesday asked the Union Government to treat Pakistan as a terrorist State and warned that its Inter-Services Intelligence (ISI), which was the "real super-government of Pakistan," was now concentrating on south India after having spread its tentacles to the North-East.

In its resolution on the "Threat to national security," released at the concluding day of its three-day session here, the Executive cautioned that Hyderabad, Bangalore, Cochin, Kozhikode, Bhatkal and Gulbarga in the south had currently become major centres of ISI subversive activities.

Pointing out that six tonnes of the deadly RDX [Cyclotrimethylene Trinitramine] explosive was seized in Coimbatore, the Executive said "at this rate, Pakistan could land a tonne even of fissionable material to let off a nuclear explosion on our soil. It alleged that the ISI had a nexus with the Liberation Tigers of Tamil Eelam (LTTE) in Tamil Nadu, with the small fishing village of Kyalapatinam serving as the 'nerve centre.' There were reports that mysterious STD [Subscriber Trunk Dialing (telephone)] calls, whose bill came up to Rs one lakh in the day, it said. Expressing concern at the increasing subversive activities of the ISI in Kerala, the Executive charged the Chief Minister, Mr K. Karunakaran, and the main Opposition (CPI-M [Communist Party of India-Marxist]) with soft-pedalling on the issue.

The Executive criticised the Union Government for its 'inaction' for protecting criminals and for its failure to punish even one conspirator in the Bombay and Delhi bomb blasts it also charged the ruling CPI-M Government in West Bengal with protecting the man behind the Calcutta explosion and the main Opposition Telugu Desam and the Majlis-e-Ittehad-ul Muslemeen (MIM) in Andhra Pradesh with protecting anti-national elements for electoral reasons.

In an overview of the security threat, the executive pointed out that the ISI activities continued uninterrupted despite changes in the government. They set Punjab on fire, but normalcy was fast returning in the border State. However, it was not so in Jammu and Kashmir, it bemoaned.

"Specifically, Pakistan is behaving like a terrorist State and we should treat it as such, and not deal with it as if everything is normal." The ISI, with its local agents and foreign patrons, was today the principal subversive in

India. "What, however, is extremely disturbing is the wholly condemnable inaction of the Union Government in the face of ISI's deliberate and continued acts of subversions," it said.

Calling upon the Union Government to shed its weakness of will, give up its defensive postures and take effective steps, the meeting said the menacing threats to national security could not be met with 'kid gloves.' The Executive said 15 million Bangladeshis had spread themselves far and wide in India and lakhs of Pakistanis visiting India on tourist visas never went back. The situation in Hyderabad was "explosive" with 20,000 Pakistanis living illegally in the city, it added.

Alleging that the Hizbul Mujahideen, a Pakistan-based militant wing operating in Kashmir, was "thick as thieves" with the MIM in Andhra Pradesh, the resolution said unemployed youths were being recruited for training in subversion and sabotage. Already, three Sangh Pariwar men had lost their lives at the hands of these anti-national elements, it said.

The National Executive noted with "extreme concern" the lists of subversive acts in Kerala.

Mysterious land deals amounting to crores of rupees "even by indigent persons," have been reported from Kozhikode and the Kozhikode airport of Karipur, which is in Mallapuram district, had become a "hot bed" of ISI activity. Even the government had "admitted" sighting unidentified vessels off the Kerala coast near Tirur in Mallapuram.

On the disappearance of Chekannur Moulvi who had raised his voice against communalism and fundamentalism, the resolution said he was abducted months ago and was presumed to be dead. But the government did not hand over the case to the CBI [Central Bureau of Investigation] inspite of Moulvi's wife's appeal.

The Executive expressed amazement at the Kerala Chief Minister, Mr Karunakaran, contradicting the Union Home Minister's statement the very next day after Mr Chavan had admitted in Thiruvananthapuram in the first week of February last that ISI was active in Kerala and the Union Government was aware of it.

Mr Karunakaran, just to save his coalition with Muslim League, came out with the statement and the CPI-M, the main opposition party maintained a "guilty silence" on the matter with "hopes of capturing the communal vote bank," it alleged.

On the Andhra Pradesh issue, the National Executive suggested constitution of a high-level body like the special investigation team (SIT) with Central Bureau of Investigation (CBI) assistance to look into the anti-national and ISI operations in the State. It suggested taking into custody of communal outfits having inter-links with Pakistan and a careful watch on passengers from Kashmir, Nepal and Bangladesh.

**Press Briefed on CPI-M Central Committee Meet**  
94AS0277E Calcutta THE STATESMAN in English  
14 Apr 94 p 6

[Text] Hyderabad, April 13—The CPI(M)'s [Communist Party of India-Marxist] primary aim was to unite all the Left parties not only for the forthcoming elections but also to fight the Congress(I), according to the party general secretary, Mr Harikishen Singh Surjeet.

He was briefing the Press on the second day of the party's Central Committee deliberations at the Sundarayya Bhavan today.

He said that by Left unity he did not mean Communist unity only and added that the united actions of the Left parties on the Centre's economic policies had evoked good public response.

Mr Surjeet said that his party did not object to criticism but stated that opposition would put unity at stake.

He said that there was no question of joining the BJP [Bharatiya Janata Party] on the economic policies as their leader, Mr K.L. Advani, had stated in Parliament that the Congress(I) Government was pursuing their economic agenda.

Though the BJP was opposing these policies under some pressure, Mr Surjeet said, as they have not bothered to denounce their earlier stand. Joining hands with the BJP would pose a threat to national unity, he said.

Mr Surjeet said that the central committee also held discussions regarding the forthcoming elections to certain Assemblies. He said the party had not shifted from its earlier stance of fighting the Congress(I) and the BJP.

He, however, said that there were some objections from certain State units regarding alliances and seat adjustments. "There are some policies these Governments (Bihar and Orissa) are following we consider are anti-people and need to be sorted out," he said.

Mr Surjeet said that if the Opposition united in Karnataka the Congress(I) could be defeated.

Earlier, the central committee of the CPI(M) adopted two resolutions. One was to welcome the Supreme Court verdict, which asserted that secularism was a basic feature of the Constitution and that religion must not be mixed with politics. The party called for a parliamentary legislation to be enforced towards this end.

Another resolution was adopted by the party, paying homage to those killed in the Jallianwalla Bagh incident on its 75th anniversary.



**Expelled CPI-M Leader Launches New Party****Party Convention Opens**

94AS0272A Hyderabad DECCAN CHRONICLE  
in English 19 Mar 94 p 13

[Text] Alapuzha, March 18 (PTI)—The expelled Communist Party of India-Marxist (CPI-M) leader and legislator, Gowri, on Friday formally launched a new political party—Janadhipathya Samrakshana Samithi (JSS)—formed to "fight political corruption."

Inaugurating a JSS convention here, she said the new party had adopted a red flag with three white stars as its official ensign.

The JSS, she said, was receiving all-out support from the people because of their frustration and agony due to the prevailing degeneration of moral values among political parties in Kerala and the rampant corruption among political leaders and officialdom.

Referring to the Dunkel proposals and the new economic policy of the Centre, she said these issues marked the establishment of a new "East India Company" in the country. She, however, said this was her personal opinion and the party's official assessment would be made known only after a detailed study of the Dunkel proposals.

The three-day convention is being attended by over 700 delegates from all over the State besides a large number of Mrs Gowri's supporters.

**Gowri Elected General Secretary**

94AS0272B Hyderabad DECCAN CHRONICLE  
in English 21 Mar 94 p 9

[Text] Alapuzha, March 20 (UNI)—The Marxist veteran and former minister, Mrs K.R. Gowri, who was recently expelled from the Communist Party of India (Marxist) (CPI-M), has been made as general secretary (GS) of a new political party, Janadipathya Samrakshana Samithi (JSS), here on Sunday.

A three-day convention of Mrs Gowri's supporters concluded after electing Mr K.K. Kumara Pillai, as party president and constituting a 20-member State committee with five secretaries and two vice-presidents. A party constitution giving the general secretary the maximum powers was also adopted.

The party would have its official flag red in colour with a white globe and red star imprinted on it.

A rally was also organised to mark the launching of the party.

**Further Details**

94AS0272C Bombay THE TIMES OF INDIA  
in English 23 Mar 94 p 7

[Article by P.K. Surendran: "Gowri's Party Riding on Crest of Popularity"]

[Text] Thiruvananthapuram, March 22—The new party, Janadhipatya Samrakshana Samithi (JSS), launched by the expelled Marxist veteran, Mrs K.R. Gowri on Sunday brings in a whiff of fresh air in the caste and communally polluted politics of Kerala.

Mrs Gowri had earlier steadfastly refused the company of many backward castes-minority groups masquerading as political parties in the contemporary political scene here.

Her rebuff to Mr Kanshi Ram of the BSP [Bahujan Samaj Party] and the Sree Narayana Dharma Paripalana Yogam (SNDP) of the Ezhavas (OBC [other backward classes]) has obviously disappointed them.

Mr Ram who came to meet her with high hopes had his ego greatly deflated when the Marxist woman enlightened him on the need to help all poor people whichever caste or community they might belong to.

The first show of strength the JSS displayed at Alapuzha, a coastal town in South Kerala too was impressive. Considering that Mrs Gowri founded a party single handedly within two months of her expulsion from the CPM, the maiden show was attractive.

The party constitution provides for grassroots democracy with freedom to express one's opinion freely is provided for. The party has given to itself the task of pursuing Communist ideologies in the demo set up with sincerity. Thrust of the new party policy is purging the politics of corruption.

However, the crucial question that bothers political observers is whether the JSS will grow roots in the tangled power politics of Kerala where every caste and community has formed a political party of its own.

Mrs Gowri's clarion call to create a new clean political party sounds more like the Communist utopia of the state power withering away gradually.

After all, JSS is the 302d political party of the state though hardly 12 of them have representation in the state assembly. More importantly, where will the finance to fight elections come from?

The charge that the JSS will end up as another appendage to the Congress soon cannot be dismissed as CPM-spawned slur campaign. Witnesses to the three-day convention of the JSS at Alapuzha last week would not have failed to notice the absence of criticism of the Congress for various ills the country faced.

There was on the other hand a pathetic tinge to the CPM-phobia the new party evinced in deciding every major policy of the party.

The overriding passion was to ensure that the JSS stand looked diametrically opposite to the CPM stand on major issues.

Again, a sizeable number of the delegates at the convention, appeared to have been a one-time Marxist workers or leaders. This, say JSS leaders, cannot be helped. Every party will have some grumblers, gamblers and glam persons.

Which is the major constituency of the new party? The JSS would surely claim a part of the CPM cadres belonging to the backward castes. But its prospects of winning over minorities—Christians and Muslims—are rather dim. Christian community accounting for nearly 25 per cent of the population has the Congress(I) and the KLA [expansion not given] Congress wooing them. While the Muslim League, its rival party being floated by Mr Ibrahim Sulaiman Sait and the PDP [expansion not given] of Mr Abdul Nasser Madani are all vying for another 20 per cent of the population. Therefore JSS will find it extremely hard to get new converts to the JSS especially in the north Kerala.

Mrs Gowri's refusal to comment on the controversial palmolein deal in which the chief minister, Mr K. Karunakaran, finds himself on a cleft-stick too has engendered the belief that the JSS is leaning heavily on the Congress for its survival.

It was in this context that the reason [as published] mischievous comment of Mr Karunakaran that his party would give Mrs Gowri the high position if she chooses to join the Congress is to be viewed. His aims seem to have been two folded: having helped Mrs Gowri to move away from the CPM he now wants to besmire her spotless political image so that she and her party would end up in the UDF [United Democratic Front] camp eventually.

A tacit seat understanding with the Congress for the forthcoming panchayat/municipal elections is already being talked about in the political camps.

### **Sait Resigns From Muslim League, Plans New Party**

#### **Report on Statement**

94AS0279A Calcutta THE STATESMAN in English  
13 Apr 94 p 1

[Text] New Delhi, April 12—The Indian Union Muslim League [IUML] leader, Mr Ibrahim Sulaiman Sait, resigned from the party today, a day after announcing his decision to launch a new secular outfit next week, reports PTI.

In a statement here, Mr Sait, who is a member of Parliament, alleged that the ideals and objectives of the IUML were being forsaken for "petty gains."

Mr Sait said he was deeply grieved that neither the party leadership in Kerala nor its national leadership had exhibited any inclination to change its policy of clinging to power in a most "humiliating manner," totally sacrificing the interests of the community.

He criticized the IUML leadership for refusing to pull out of the Congress(I)-led United Democratic Front Government in Kerala, alleging that they were "blindly supporting" the Congress(I) line however "disgraceful and detrimental" it might be.

Stating that he was resigning with a "heavy heart," Mr Sait said the recent support extended by the party's leadership in Kerala to the single-point reference to the Supreme Court under Article 143 of the Constitution on the Ayodhya issue had damaged the feelings of all Muslims and secular forces beyond repair.

He pointed out he had resolved to launch a new party after extensive consultations with various Muslim organizations, both political and non-political, including past and present leaders of the IUML.

Mr Sait said he had convened an all-India political convention to be attended by over 500 delegates here on April 23 to decide on the name, structure and flag of the new party which would be "well-knit, well coordinated, broadbased and secular."

#### **Press Conference**

94AS0279B Bombay THE TIMES OF INDIA  
in English 12 Apr 94 p 4

[Text] New Delhi, April 11 (PTI)—Mr Ibrahim Sulaiman Sait, the ousted president of the Indian Union Muslim League (IUML), today announced that he would launch a new party here on April 23.

Mr Sait told a press conference that it was finally resolved to launch a new party, after extensive consultations with various Muslim organisations, both political and non-political, including past and present leaders of the IUML and even the Jamait-i-Islami.

Mr Sait said he had convened an all-India political convention to be attended by over 500 delegates here on April 23 to decide on the name, structure and flag of the new party which would be "well-knit, coordinated, broadbased and secular."

Mr Sait's faction had split from the IUML after he was ousted as president of the party he led for 21 years and was replaced by Mr G.M. Banatwala. Mr Sait today reiterated his charges that the elections of the president were "sudden, not on the agenda and manipulated."

Mr Sait said he was "pained and anguished" to announce this departure from the IUML, but it was

inevitable because the Kerala unit of the IUMML refused to quit the Congress-led government.

The Sait faction had been pressing its Kerala unit to quit the Karunakaran government after the demolition of the Babri Masjid, saying there should be no truck with the Congress.

All Muslims rejected the Central government's package following the demolition of the Babri Masjid, namely acquisition of the disputed land, reference to the supreme court by the President and the formation of two trusts to build a temple and mosque each, Mr Sait said.

The Kerala unit of the IUMML was supporting this package and toeing the government line and their "action is sheer political dishonesty and hypocrisy" which has led to the party's complete "alienation, especially among the youth," Mr Sait claimed.

Before launching the new party, a 25-member high powered committee would hold two days of meetings to deliberate over the name, modalities and structure of the new party and make its recommendations for the approval of the session.

The convention has been sponsored by 75 leading personalities of the Muslim community from different states who will decide about the theme and conduct of the convention, he said.

Mr Mohammad Sulaiman, former president of the Uttar Pradesh state Muslim League, Dr Bashir Khan Ahmed, former office-bearer of the Delhi unit, and Mr Mansoor Ahmed Khan of the Delhi unit, also attended the press conference along with Mr Sait.

Mr Sait said he held two consultative meets with Muslim leaders of the northern states of Uttar Pradesh, Bihar, Madhya Pradesh, Delhi and Rajasthan on March 6 in Delhi and another one in Madras with representatives and leaders of Muslim organisations of Andhra Pradesh, Karnataka, Tamil Nadu and Lakshwadeep Islands.

In a statement read out at the press conference, Mr Sait said, "Such a step (of forming a new party) became inevitable because of sheer power-mongering, regardless of the interests of the community."

"A coterie which was controlling the Kerala unit of the IUMML was sacrificing all principles of truth and justice and was blindly following Congress culture and the Congress line," he said.

It was a tragedy that even the national leadership of the IUMML had fallen prey to the "misguided and detrimental policy of toeing totally the line of the Kerala state Muslim League," he added.

Mr Sait said that he had given the Kerala unit two months time to withdraw from the United Democratic Front (UDF) government and as that time had expired, he was announcing the launch of a new party.

He, however, ruled out resigning from the IUMML or his Lok Sabha seat forthwith. He said mass resignations from the party would come by and by, and said he would not quit his Lok Sabha seat "because my constituents do not want me to."

### Lok Dal Merges With Samajwadi Party

94AS02771 Bombay THE TIMES OF INDIA in English 12 Apr 94 p 15

[Text] Locknow, April 11 (UNI)—The Lok Dal president, Mr Ram Awdhesh Singh, today announced the decision to merge his party with the Samajwadi party (SP).

He said at a news conference here that the merger would be formalised at a conference of his party to be held at Patna on May 6.

The Samajwadi Party chief and Uttar Pradesh chief minister, Mr Mulayam Singh Yadav and party general secretary Mr Raghu Thakur, were present at the news conference.

Mr Yadav, later said he was happy that socialists from all over the country were gradually coming into the Samajwadi Party fold for fighting against the communal forces.

A number of Janata Dal leaders led by Mr Reoti Raman Singh, former leader of the opposition and a known V.P. Singh supporter, also joined the Samajwadi Party at an impressive "samta sammelan" at the Begum Hazratmahal Park here.

Prominent leaders like Mr Mukhtar Ankees, Mr Arimardan Singh and Mr Munna Singh Chauhan said they were parting ways with the Janata Dal.

### Reportage on Defense Ministry Annual Report

#### Report Summarized

94AS0273A Bombay THE TIMES OF INDIA in English 24 Mar 94 p 13

[Text] New Delhi, March 23 (PTI)—India would have to stand firm to counter the growing pressure from some countries using "human rights" as a front, as this was indirectly aiding Pakistan in destabilising the country, the defense ministry has said in its annual report.

Calling for a complete reassessment of threat perceptions, to the country's security in the context of the unipolar world and the present unsettled international order, the report says that India would have to stand "firm to counter the pressures which may be sought to be placed on us."

Asserting that a new dimension to the militancy problem had been added by the induction of foreign mercenaries with sophisticated weapons into Jammu and Kashmir, the report said that this had added to the terrorist depredations in the Valley.



India, the report said was facing a "dark conspiracy" as the spurt in the level of militancy from across the border was being timed with raising the bogey of violations of human rights in international forums to put maximum pressure on the country.

The report has revealed that Pakistan has been using the territory of some neighbouring countries to infiltrate trained militants, arms and ammunition and explosives into India.

The report says that Pakistani governmental and non-governmental agencies had extended their anti-India campaign and were encouraging several anti-India groups within the country to work as new channels for the clandestine inflow of arms.

The report said these groups were also being used to engineer communal violence like bomb blasts and other acts of arson and sabotage.

While, India was taking measures to decimate the threat of militants, the country was also facing indirect international pressure in the shape of increased restraints being imposed by industrially advanced nations on transfer of defence technology.

This, the report said was proving to be a major constraint on defence self reliance and thus called for a greater outlay on research and development in the coming years.

Taking note of the increasing defence spending of Pakistan and its move to acquire highly sophisticated weapons which go far beyond its legitimate needs, the report said this was coupled with Pakistan's acquisition of the new M-11 missile system from China and the greater defence co-operation between the two countries.

Along with this, the report says India also needed to take note of reported proliferation of missiles in Saudi Arabia and Iran. It also says that China has embarked upon an ambitious programme of modernisation of its armed forces and had purchased state of the art fighter aircraft from Russia.

All these developments, the report said would compel India to adopt prudent measures to ensure its own security through a stronger defence system.

On the Sino-Indian relations, the report says there has been a perceptible movement, with the signing of the historic agreement to maintain peace and tranquillity on the borders between the two countries. Under the agreement, the report says, the two sides would strictly respect and observe the line of control with neither side overstepping it.

### 'Little Significance' Seen

94AS0273B Calcutta THE STATESMAN in English  
29, 30 Mar 94

[Articles by Keith Flory]

[29 Mar 94 p 6]

[Text] New Delhi, March 28—A plus point of the Defence Ministry's Annual Report is the fairly comprehensive appreciation of the global and regional factors which influence security perceptions in our country.

Besides, the rather large dose of Pakistan-bashing in it is bound to be popular.

The document, however, is of little constructive significance, since it fails to effectively deal with the current state of Defence preparedness. Neither does it clear the serious apprehensions expressed by those concerned with the maintenance of national security.

The annual report of each Ministry is published to help M.P.'s [Members of Parliament] understand the "ground realities" of that particular Ministry. The reports also serve as the basis on which the M.P.s make presentations when demands for grants are debated in the Lok Sabha.

The reports are also useful during discussions on the working of the Ministries in the Rajya Sabha. The Defence report, however, will contribute little or nothing to these ends.

For quite some time now, Defence analysts have been demanding greater transparency on such matters.

They realize that a credible security apparatus cannot be put in place in the absence of informed public opinion, which is itself created by a comprehensive national debate.

Thus, when senior military personnel leave the galleries at the end of the parliamentary debate on the report, they will continue to be amazed at the lack of knowledge which most M.P.s display.

Consider the central issue of Defence expenditure. The report has three paragraphs dealing with what Pakistan has been spending, talks of a nine-fold increase in its Defence Budget between '78 and '93—an average annual growth rate of approximately 15 percent.

Last year, the report says, Defence accounted for 34.6 percent of Pakistan's spending on the current account. The country's Defence expenditure, it adds, amounts to 7.14 percent of the Gross Domestic Product (1992 figures) and contrasts it with India's 2.75 percent.

However, India's Defence expenditure warrants a single paragraph and a couple of graphic displays of the major heads of spending.

While the graphs may reveal something, all that the lone paragraph states is that "given India's size and security concerns, the outlay on Defence, assessed either as a percentage of the total Central Government expenditure or of the GDP, continues to be one of the lowest amongst our neighbouring countries."

If this was intended to be self-congratulatory it has fallen flat. Whatever the report may say, it is undeniable that almost every Defence specialist has been stressing that in real terms the outlays have been falling over the past five years.

Also—and, perhaps, more significantly—the text of that single paragraph is a word-for-word repetition of what was stated in the reports for 1991-92 and 1992-93.

Surely, members of Parliament deserve more than that. It must be remembered that unlike other Ministries or Departments which release a fair amount of published information, the [text illegible] Defence Ministry can only be gauged from the Annual Report and the Budget papers.

Even the replies to questions in Parliament are calculatedly vague.

This "closed shop" attitude permeates the report. It does speak of the resource crunch at three or four places—but always stresses that there has been no compromise on Defence preparedness.

This, in a sense, is even worse than saying nothing, for it tends to present a misleading picture.

Just about every competent analyst has been drawing attention to the adverse impact of Defence expenditure failing to keep abreast of inflation and exchange-rates. The report suggests that they are all wide off the mark.

[30 Mar 94 p 6]

[Text] New Delhi, March 29—A virtue has been made of economy in the Annual Report brought out by the Ministry of Defence, which is regarded as the prime source of official information on the state of defence in the country.

There are paragraphs on that point in the chapters on the Army and the Air Force.

The Navy, however, has been "excepted." One of its officers jocularly remarked that it was because its share of the Budget was so paltry, in any case, that there was nothing to reduce.

While dealing with planning, also, the report talks of the endeavour to "balance the inescapable minimum maintenance requirements of our defence forces and the need to modernize them without unduly straining the national economy."

Are the forces worthy only of the "inescapable minimum?"

There can be no quarrel with the desire to ensure that each rupee goes the farthest possible. But just how serious the problem of low outlays has become, was proved by the mid-year increase of over Rs 2,200 crores [rupees] during the current financial year.

The increase was obviously necessitated by the increased commitment of the Army on internal security duties, especially those in Jammu and Kashmir.

The report, however, is silent about what forced this additional allocation. The Union Finance Minister, Dr Manmohan Singh, offered an insight while countering allegation that he had failed to contain deficits.

He told the Rajya Sabha: "What has happened in the last few months is now well known to this country."

"And I would not be worthy of being the Finance Minister if I were to say: 'No, I have an obligation to meet the fiscal deficit target. Therefore, I will not meet the legitimate needs of India's armed forces in the circumstances of grave danger to national security that our country is facing'."

Would it not have been better if the Defence Ministry had utilized the report to educate M.P.s and the nation at large, about that "grave danger to national security?"

And did the Finance Minister actually admit that his initial outlay for '93-'94 failed to cater to the "legitimate needs" of the armed forces?

Pakistani involvement in Kashmir—if present at all—could not have developed overnight. And if, as the report repeatedly asserts, there was no compromise, would the proposed sale of F-16's to Pakistan sent so many shivers down political spines?

The report pays scant attention to several other important issues. There has been so much talk of the need for improving the "higher defence organization."

But the document suggests that all is well on the planning front, at least as far as its mechanisms go.

However, while replying to the last Defence debate in the Lok Sabha, the Prime Minister spoke of reviving the National Security Council in a modified form. Mr P.V. Narasimha Rao has not fulfilled his promise of "coming back" to the subject in a few months. The report, of course, is silent on that score.

It can be nobody's case that the Defence Ministry publicly quantify the difficulties it faces in carrying out its supremely important task.

Not even the most severe of its critics would suggest that it parts with information that has genuine security implications.

Yet, if that were to be stretched—as is being done—to ensure that the nation remained ignorant of reality it would ultimately prove counter-productive. If all is well as far as our security considerations are concerned, as the

report tends to indicate, then why has the Government spent Rs 23,000 crores on Defence?

Perhaps it would be an exaggeration to conclude that the report says little because virtually nothing is being done to restructure the military machine.

#### **New Chairman for Space Research Organization**

94AS0268A Bombay THE TIMES OF INDIA  
in English 31 Mar 94 pp 1, 4

[All quotation marks]

[Text] Bombay, March 30—Dr Krishnaswamy Kasturirangan, 54, at present director of the satellite centre of the Indian Space Research Organisation (ISRO) at Bangalore, will take over tomorrow from Professor U.R. Rao as chairman of ISRO.

Prof Rao, who spared no efforts to help India attain self-reliance in the critical area of space technology, will lay down office after 25 years with ISRO. He became the chairman in October 1984.

Dr Kasturirangan is expected to move into his new position in a manner befitting the space age when he will address all employees in various ISRO establishments throughout the country through the INSAT satellite tomorrow afternoon.

Born in 1940 at Ernakulam, Dr Kasturirangan, an extremely soft-spoken and brilliant aerospace scientist, obtained his doctorate in experimental high energy astronomy in 1971 from Gujarat University, working at the National Physical Research Laboratory.

Dr Kasturirangan was the project director of India's first two experimental earth observation satellites, 'Bhaskara' I and II. Subsequently, as project director of the Indian Remote Sensing satellite (IRS-IA), he directed its design, development and operation.

As director of the satellite centre, he oversaw the development of the second generation of Indian National Satellite (INSAT-2), the first two of which, INSAT-2A and INSAT-2B, were successfully launched in July 1992 and July 1993 respectively.

Dr Kasturirangan is a fellow of the Indian National Science Academy, the Astronautical Society of India and a member of the International Astronomical Union and the International Academy of Astronautics. He is also a member of the International Academy of Astronautics' sub-committee on Mars exploration.

Among the several awards he has won are the "Shri Hari Om Ashram Prerit Dr Vikram Sarabhai Award" for systems analysis and management (1981), the Shanti Swarup Bhatnagar Award for engineering sciences (1983), the Shri Om Prakash Bhasin Foundation Award for space and aerospace (1988) and the award of the Institution of Engineers (India), Karnataka (1992).

Dr Kasturirangan was conferred the Padma Shri in 1982 and the Padma Bhushan in 1992, by the government of India.

#### **Space Department Issues 1993-94 Annual Report**

94AS0277C Bombay THE TIMES OF INDIA  
in English 16 Apr 94 p 11

[Text] Bombay, April 15—The government of India's department of space is now fully capable of making India a major space power by the turn of the century. "India is determined to forge ahead by enhancing and sustaining the space services overcoming any external pressure that may come in the way. And, the department of space has become, over the years, a dynamic and vibrant organisation, fully capable of making India a major space power by the turn of the century," says the just-released annual report (1993-94) of the department of space.

According to the report, the country was on the threshold of achieving self-reliance in the launch vehicle technology. In the process, a strong technical manpower base has been created and a research and development infrastructure built up.

The space department's statement assumes significance in view of the recent remarks made by Dr A.P.J. Abdul Kalam in an interview to INDIA TODAY that restrictions imposed by the missile technology control regime (MTCR) will in no way affect the country's space programmes while referring to the nation's missile projects.

Dr Kalam, often described as the father of India's rocket programmes and now tipped to take over as the vice chancellor of Madras University, said that the country was 90 per cent self-sufficient in the aerospace field.

The space department's report has stated that the close space-industry partnership among the public, private and joint sectors has enabled Indian industry to meet the production demands for space products and services in a timely and cost effective way.

Touching on some of the other projects, the report said as of October 1, 1993, a total of 142 telecommunications terminals were operating in the INSAT (Indian National Satellite System) telecommunication network providing 4,056 two-way speech circuits.

Over 400 additional earth stations, including 50 for satellite-based rural telegraphy network pilot project in the north-eastern region were now under various stages of implementation in the department of telecommunication's network, the report said.

Under the INSAT scheme, 2,000 direct reception sets have been deployed in Andhra Pradesh, Orissa, Bihar, Uttar Pradesh, Maharashtra and Gujarat for the benefit of the local community.



**Firm Develops Battery for Russian Submarine***94AS0277F Bombay THE TIMES OF INDIA  
in English 14 Apr 94 p 17*

[Article by Amrita Nair-Ghaswalla: "Firm Develops Battery for Russian Sub"]

[Text] Bombay, April 13—Standard Batteries Limited (SBL), an associate member of the diversified Williamson Magor group, has signed a protocol agreement with the Central Bureau of Design (Rubin) Lenin-grad, wherein Rubin has accepted SBL's newly-developed battery for the Foxtrot class submarine, a Russian sub.

A Rubin delegation is slated to visit the company's plant and witness the manufacturing capacities in mid-May, to further their interest in the battery, it is reliably learnt. Once the company receives the stamp of approval from Rubin, the battery will be offered to the erstwhile Russian states as well as 16 other countries which use Russian submarines.

SBL has been supplying Foxtrot submarine batteries to the Indian navy since 1975. The Indian navy has seven such subs at present in its naval fleet. The inclusion of the modified battery by the Indian navy is expected to save forex to the tune of Rs 200 crores [rupees], during the lifetime of the submarine, according to Mr P.R. Natarajan, vice-president, SBL group associate.

The prototype of the battery has been developed by SBL in its own development wing and Indian naval officials are scheduled to witness its workability, Mr Natarajan added. The company has a technical collaboration with Hagen Batteries AG of Germany for its submarine batteries.

The new battery is lighter in weight, has a higher energy density, less maintenance and a longer usage capability. Each battery has 240 cells in it, each weighing 800 kg.

The Indian navy has 15 subs of Russian origin in its fleet—seven Foxtrot's and eight Kilo submarines. Though SBL has been supplying batteries for both the Foxtrot and Kilo submarines, India has been importing batteries at a cost of Rs 8 crores per battery. The new technology devised for the Foxtrot battery is expected to cut down on this cost.

Moreover, instead of phasing out the country's 20-year-old Foxtrot submarines, since most have exceeded their life span, the Indian navy is refitting its submarines due to the constraints of buying a new one at a cost of Rs 300-400 crores. The new SBL battery is also aimed at cutting down this cost.

SBL recently exported a submarine battery comprising 240 cells to Algeria at a cost of around Rs 10 crores. It has also received repeat orders for Kilo submarine batteries from Algeria.

Meanwhile, industrial relations at the SBL signing of a new 5-year productivity-linked agreement between the company's 650 workers and the management. An average hike of Rs 800 has been granted to all the employees, who have been asked to increase production by 20 per cent.

The company continues to pay salaries amounting to Rs 4 lakhs per month, to the 100 workers who have been ordered to remain outside the company's premises, following the lock-out over a year ago.

The company is augmenting its financial requirements through a rights issue slated in mid-May. The issue, which is to be 4:1 at a premium of 10 plus 10, will hike the current equity level of Rs 2 crores to Rs 10 crores. Last year's turnover has been placed at Rs 120 crores.

**Reporter Sees Change in Upper House Composition***94AS0268E Bombay THE TIMES OF INDIA  
in English 21 Mar 94 p 14*

[Article by Anita Katyal: "Composition of Rajya Sabha To Change"]

[Text] New Delhi, March 20—When the Rajya Sabha re-assembles here on April 18 after a month-long recess, its composition will have undergone a considerable change with a large chunk of its 250-odd members having retired and many new ones replacing them.

Unlike the Lok Sabha where the ruling party has been progressively adding to its numbers, in the upper house the treasury benches will shrink in size, no longer commanding the comfortable position they do at present.

From 106, the Congress strength will come down to 95 while the main opposition party, the BJP [Bharatiya Janata Party], will have added substantially to its numbers, which will go up from 33 to 45. Even the Janata Dal, which has been written off by political pundits, will increase its presence from 27 to 29.

With the Mulayam Singh Yadav-Kanshi Ram combine coming to power in U.P., [Uttar Pradesh] their respective parties will be better represented now in the Rajya Sabha. While the Samajwadi Party's representation will go up from two to five, the Bahujan Samaj Party (BSP) will be making its debut in the upper house.

Among the losers are the Samajwadi Janata Party (SJP), which will be losing three of its 11 members while the TDP [Telugu Desam Party] strength will be depleted from five to three.

The "shouting brigade" of the Congress will now be poorer by one of its most effective members, Mr Vishvajit Prithvijit Singh, who was equally capable of solid argument when the occasion demanded. It will probably gain from the return of the former Bihar chief minister, Dr Jagannath Mishra, who also enjoys the reputation of being a voluble parliamentarian.

The party's doughty fighter, Mrs Satyabehin, will also not be returning next month just as Mr M.C. Bhandare, whose legal acumen is bound to be missed by the ruling party.

The party seniors who will be gracing the treasury benches, include Mr V.N. Gadgil, who is coming back to the upper house after a gap of 18 years, Mr Janardhan Poojary, Mr Madhavsingh Solanki and Mr Jitender Prasad, political secretary to the Congress president, who comes to the Rajya Sabha for the first time as he has been a member of the other House till now.

Mr Solanki's return, of course, is contingent on the ongoing leadership battle being waged in Gujarat. Should Mr Solanki succeed in "capturing" the chief minister's post he will have to vacate his seat in the upper house.

Another Congress leader, who is coming back after a gap, is Mr Ramji Lal, who had vacated his seat at the party high command's behest to make way for Mr Dinesh Singh. Mr Lal has been elected from Harayana in place of Mr Mohinder Singh Lather, Mr Devi Lal's relation, whose exit means the severing of the Tau's last link with this house.

Among those who have been reelected are Mr Suresh Kalmadi, Ms Saroj Kharpade, Mr Sitaram Kesari, Mr Bhuvnesh Chaturvedi and Mr Hansraj Bhardwaj, who has managed to survive despite Mr T.N. Seshan's efforts to do him out of his seat.

The opposition ranks in the Rajya Sabha might have been steadily swelling but this increase in numbers has been more than offset by the loss of effective speakers like Mr Kamal Morarka of the SJP. As the Janata Dal leader, Mr S. Jaipal Reddy, rightly put it in his farewell speech, Mr Morarka scaled great oratorical heights and was undoubtedly one of the ablest parliamentarians, who had the knack of coming to the root of a problem without resorting to rhetoric.

Mr Morarka's loss will be doubly felt by the opposition as it had already lost an effective speaker and fighter in Mr Yashwant Sinha, who resigned his seat when he snapped ties with the SJP and joined the BJP last November.

Similarly, the maverick politician, Dr Subramaniam Swamy, always a delight to listen to irrespective of whether one agreed with his brand of politics, will leave a vacuum which will not be easy to fill. His retirement, however, will be quite a relief to the AIADMK [All India Anna Dravida Munnetra Kazhagam] members at least, considering Dr Swamy's penchant for raising uncomfortable questions regarding Tamil Nadu and its chief minister.

However, the opposition will find itself fortified by the fiery presence of the first-timer, Ms Mayawati of the

BSP, who has already become a controversial figure because of her unsavoury remarks about the Father of the Nation.

Considering her track record in the Lok Sabha, Ms Mayawati, known for her intemperate and colourful language, is set to make waves in the upper house.

Film star-turned-politician, Mr Raj Babbar, will be taking a bow on the country's political stage, having been elected by the SP [Superintendent of Police].

Ironically, he will find himself face-to-face with his father-in-law, Mr Shivaji Patil (Smita Patil's father).

### **Border Police, Smugglers Allegedly Allied**

94AS0277L Calcutta *THE STATESMAN* in English  
7 Apr 94 p 1

[Article by Anirban Choudhury: "Crime and Violence Thrive in Border Villages"]

[Text] Malda, April 6—The indiscriminate firing by a BSF [Border Security Force] jawan leading to the death of six residents of a North Dinajpur village, about 200 km from here, has underscored the simmering tension that permeates the border districts of West Bengal.

Malda, with a 170-km-long border with Bangladesh, is no exception. The villages here, dotted along the border—from Kaliachawk to Bamangola—survive on smuggling. Some BSF personnel serve as catalysts.

Local smugglers reportedly thrive under the patronage of the panchayats and violence, mostly in connection with smuggling-related incidents, erupts at regular intervals.

In Malda town itself, out of the estimated 20,000 rickshaw drivers, 7,000 are suspected to be Bangladeshis, who cross the border each day to make a living. Intelligence officers here said that a Bangladeshi has to pay Rs 20 [rupees] to the BSF to cross over. Most of them return home but some stay back.

The district administration says it is worried at the spate of criminal activities along vulnerable points along the border. Kumbhira, Mojonpur, Kumarpur, Atradanga, Modipur and Muchia-Adampur have been identified as some of the hot-spots.

At a BSF border camp near Adampur this morning, a youth was seen having a conversation with security personnel. Inquiries revealed that he was caught by the police only a week ago with smuggled goods. However, he was back in business. Incidentally, he was the brother of the panchayat pradhan, a CPI(M) [Communist Party of India-Marxist] leader.

This isn't a singular case. Today the BSF watch-tower was vacant and people freely roamed in the "No Man's Land." Just across the Mahananda River, residents of Bholahat of Bangladesh were seen bathing. A man

crossed the river and proceeded towards Bangladesh, wading in the waist-deep water.

An elderly resident, apparently scared to identify himself, said: "We are used to seeing trucks being parked on the riverbank while smuggled goods are being loaded and unloaded."

Mr Krishnendu Chowdhury, district Youth Congress(I) president, said that there was a system of "Border Dak" in the BSF outposts. Under this, the big-league smugglers are allegedly required to pay hefty sums to the BSF outposts, which, in turn, allow them to operate freely.

Cattle smuggling and theft of cattle have posed serious threats to the villagers. They allege that the personnel of the Bangladesh Rifles, the BSF and smugglers—from both sides of the border—have forged alliances of convenience at several points along the border.

And cattle continues to disappear from Indian villages. Besides cattle, rice, sugar, atta and kerosene continue to be ferried across the border with impunity. They fetch prices double those in Indian markets. And in return, arms, gold and electronic goods are despatched to different parts of India through various points in Malda.

Seen in this context, last Sunday's firing has put the role of a section BSF personnel in question. Villagers say that the BSF personnel's free mixing with known smugglers, harassing village women and extortion from villagers, have brought the entire force under a cloud.

Local residents say they are too apprehensive to talk to the BSF and this has severely affected the organization's Intelligence network. Also, the committed personnel are incurring the wrath of the villagers.

## IRAN

### Experts on Development of Agriculture, Food Industries

94LA0129A Tehran KEYHAN-E HAVA'I in Persian  
6 Apr 94 pp 17, 26

[Text] Until the discovery of oil and the reliance on its sale, the agriculture sector in Iran was considered one of the nation's productive sources of revenue. The makeup of Iran's population and its concentration in the rural areas made it possible for most of the nation's active manpower to be employed in the agriculture sector. However, when the nation became inundated with oil, attention to this sector decreased day by day. With the implementation of improper policies and the adoption of guidelines and policies that were not compatible with the ways and traditions of the people of Iran, and with the rampant growth of assembly industries, Iran was gradually transformed from a producer of agricultural and food projects to a major importer of these kinds of crops.

In the years prior to the triumph of the Islamic revolution the nation's income from the sale of oil was \$25 billion per year, while Iran's population was 36 million at most. Today Iran's population is about to exceed 60 million, yet the foreign exchange revenues from the sale of oil are about half what they were before the revolution.

It appears that it is now vitally necessary to make a change in economic structures, especially in the agriculture sector, in view of the background that has been sketched.

Although during the First Five-Year Plan, with implementation of the Pivotal Wheat Project, production of this product increased, bordering on 11 million tons per year, considerable quantities of wheat, rice, cotton, meat (both white and red) and even dairy products are still purchased abroad.

On the one hand, increased food production meets domestic needs and prevents the expenditure of limited foreign exchange to import food, and on the other hand, in view of the very high added value of many food industries, if the country becomes a food exporter a significant amount of foreign exchange will also be obtained in this way.

On the other hand, the world's food industries are considered strategic and sensitive. The industrial and imperialist nations sometimes use them as pressure levers. The secretary of agriculture under President Jimmy Carter stated plainly that America's most cutting weapon after military weapons is food and agricultural industries and crops.

In the second half of the 20th century it has been seen numerous times that the West and especially America have made practical use of this leverage to advance their goals in the world.

To become familiar with the problems and issues in the food industry, the obstacles to developing conversion industries in the agricultural sector and ways to increase the production of food for consumption and export in the country, KEYHAN-E HAVA'I held separate interviews with several insiders and experts in the food industry sciences and industries, the results of which you will read below.

The major place of the agriculture sector in economic development and the gross national product is concealed from no one, because even the world's most advanced industrial nations have never considered themselves to be without need of growth in the agriculture sector. Many economic experts believe that self-sufficiency in the production of agricultural crops and products is the preliminary to other technological and industrial and, in general, economic progress.

Likewise, many of the world's economists consider agricultural products to be the most realistic kind of product because the wheels of production in this sector never



stop, due to the ease of access to such tools of production as land, solar energy, and water.

Many of the world's underground resources, ores, and metals have a limited life. Their extraction stops after a period of time because these mines and resources such as oil, copper, iron, aluminum, rock coal, precious stones and the like can never be renewed and extracted again after they are used, and in the future there will be no more resources to take their place. However, agricultural resources can be renewed. As long as work is done on the earth and as long as land, solar energy, and water exist, the production of agricultural crops will continue.

In its present economic circumstances, our country has no choice but to give more attention to the agriculture sector to get away from reliance on limited and fluctuating oil revenues.

Dr. Seyyed Mohammad Hoseyni, president of both the Food Sciences College and Iran Food Industries and Sciences Society, announced that there are more than 2,000 active food industries producing units in the country. He said: Because of its varied atmosphere and its 12 different climates, its productive soil and its adequate light, Iran produces some of the best quality agricultural crops in the world, crops such as Jaharom lemons, bam citrus, Rafsanjan and Damghan pistachios, Mashhad melons, and Khuzestan dates. Just as is apparent from Dr. Hoseyni's remarks, Iran has no problem with the production of agricultural crops, and the God-given and natural resources in the country are considered a suitable ground for any kind of agricultural activity. In his view however, numerous causes have kept our country from using all its capacities and talents in the agricultural sector.

In his view, there are currently weaknesses in the management of some of Iran's food industries because the managers in this industrial sector usually do not have the needed specialist skills and efficiency. At the same time, however, there are also managers who manage their producing units at the level of an international institution in accordance with world standards.

It appears that the lack of modern machinery and the distance in terms of technology between Iran's food industries and the other comparable producing units in the world are considered two of this industry's problems, yet if basic and fundamental measures were taken to equip and rebuild the food industries, our country would be able to compete with many of the world's exporters in the production and export of various foodstuffs.

Activity in the production and export of food must be done with care and precision, because otherwise in the long term it is possible that the nation's food exports could suffer a severe blow. For this reason, on the one hand we must plan to understand the international markets and on the other hand, by standardizing the production of consumer food products domestically and maintaining constant quality control, we must take our

place in the international markets and especially in those of neighboring and Islamic countries.

Hoseyn Vakili has a doctorate in commercial management. In this regard, he adds: Some of the world's markets are eager for Iran's food products. In developing our exports, we must not covet all of the international markets, because this is quite dangerous, and it is not even economical. For example, in all the Islamic nations, whose populations total more than 1 billion, there are customers for food and canned goods made in the Islamic Republic of Iran. Our exporters must put their greatest attention and emphasis on the markets in the Islamic nations.

Dr. Vakili, who was recently chosen as the official in charge of the Iran Canned Goods Cooperative Company, discussed the necessity to liberate the nation's economy from its reliance on oil revenues. He said: Iran's economy, which has certain industrial distinctions compared to the other nations in the world, can plan for exports of metallic and nonmetallic products, food products, and handicrafts. Ultimately, with a variety of foreign exchange-producing incomes from various sources, the reliance on oil revenues will gradually be reduced.

At the same time he warned that the fever for exporting nonoil goods is high now and every exporter, especially in the food industries, is trying to export his products while adhering more or less to acceptable international standards, in order to earn foreign exchange. This is considered dangerous in international trade, because when first developing nonoil exports, if we do not observe predetermined standards, indicators, and regulations, it is possible that our products could be permanently excluded from the competition among comparable goods, which are superior on international markets, and they will lose the ability to compete.

Therefore if we do not take international standards into consideration with regard to our country's export goods and products, we will be cut out of the international markets in the near future, and we will not find it easy to get back in. It is perhaps for this reason that it is necessary to set standards for export products. If the nation's exporters do not adhere to international regulations and laws to standardize their products, not only will they get nowhere exporting, they will also damage the credibility of Iran's export products and goods on the international markets.

In the near future, competition on the international markets will be more complicated, with most nations joining the GATT accord. Naturally nations will have to think about themselves in this confusing world market. While making the necessary decision about whether or not to become a part of GATT, they will be seeking suitable markets for their export goods.

On the other hand, studies that have been done show that the added value of the food industries compared to other producing and economic units is quite high, and

this is considered one of the undeniable benefits of this industry. A simple comparison between the revenues and expenses of the food industries with those of oil shows that investment in these industries is much more economical than in the oil sector and comparable areas.

Dr. Hoseyni, chief of the Society of Specialists in the Food Industries and Sciences, says in this regard that one ton of exported oil earns about \$80 in foreign exchange revenues and consumes about \$10 to \$20 in foreign exchange, and consequently a maximum of about \$60 to \$70 in foreign exchange comes into the country, but a ton of export tomatoes sells for at least \$500 and only consumes \$70 in foreign exchange. Therefore, the country receives about \$430 for every ton of tomatoes it exports.

Likewise, the price of a ton of concentrated fruit juice on the international markets is about \$1,300, and it consumes no more than \$300 foreign exchange. Consequently the country receives about \$1,000 for every ton of concentrated fruit juice it exports.

Although these revenues are significant, packaged agricultural products have not been exported and these goods cannot have that much revenue. For this reason, investment in the conversion industries in the agricultural sector is important. Statistics show that 30 to 50 percent of the food produced in the Third World and in Iran is destroyed between harvest and consumption. The Fruit and Produce Union has announced that of the 15 million tons of fruit and summer vegetables produced in the country annually, about 4.5 million tons is destroyed in various ways between harvest time and consumption. In this same regard, Fereyduun Golafrā, manager of the specialist journal KESHAVARZ, writes in an editorial in issue 170 of this journal: While every year about 400,000 tons of tomatoes is processed by our nation's conversion industries, only about 6,000 tons of tomato paste is exported, mostly in cans. This weakness is due to the fact that the ability to package and even produce tomato paste in Iran is less than what it should be.

For example, a country like Italy alone can produce about 350,000 tons of tomato paste per year, packaged in small cans. Some of the tomato-paste-producing units in this country have the capacity to produce more than 70,000 tons per year, yet the largest tomato-paste-producing factory in Iran only has the ability to produce 12,000 tons per year.

Due to this very shortage of packaging and conversion industries, our country, despite its extensive resources for producing tomato paste, is unable to participate actively in international markets, and it even drives away customers because of its inability to answer their needs. Ultimately, the world markets do not even open an account for tomato paste and other Iranian food exports. Golafrā noted that last year Iran lost a 32,000-ton tomato-paste deal with Libya because it could not answer the customer's need in time.

The manager of the journal KESHAVARZ also noted that in the future our country will need to have a presence on the international markets more than it does today in order to be able on the one hand to reduce food product losses and on the other hand to be able to return to vegetable and fruit growers the earnings of their labors, thereby helping the economy to prosper.

He also recommended that to increase food exports the government must insure all export contracts.

It appears that this recommendation can be given attention and have an effect on the development of nonoil exports, provided that the exports are regulated and done in such a way that they do not damage the credibility of the nation's products.

Some other experts believe that the main problem with Iran's food industries is the weakness of its packaging and shipping of goods.

Behruz Forutan, a member of the board of directors of the Iran Food Industries and Sciences Society and executive director of Behruz Food Industries, is one of these people. He said: Packaging has various advantages, including the fact that in preserving the food, helping with the distribution and sale of the goods, facilitating storage and shipping, increasing the amount of marketing and providing the necessary information and instructions for the proper use of the package's contents have a strong effect on the customer.

He explained that the world's food packaging and preservation industry is 180 years old, but in Iran this industry has no more than a 60-year history. According to a study by experts, about 7.2 million tons of the 15 million tons of agricultural and farm products produced in Iran can be sent to market in packaged form. Before the canning industry appeared, in the old days many Iranian families spent the spring, summer, and fall storing some of the food they needed such as jams and vinegar pickles for the winter. Sometimes in the cold regions such as Azerbaijan they fried meat in animal fat and kept it as stew in special crocks for consumption later and in the winter.

Now, however, with the growth in the population, the increase in the number of urban residents and changes in lifestyles from rural to urban modes, the traditional ways of preserving food are also gradually being forgotten. Therefore, to make the best use of food and keep it from spoiling and also to find international markets, while we should pay attention to traditional methods such as drying vegetables for domestic consumption, more attention must also be given to the conversion and canning industries.

Based on statistics from the Food and Agriculture Organization (FAO), Americans convert to canned goods 90 percent of their tomatoes, 79 percent of their olives, 65 percent of their green beans, 62 percent of their green peas, 54 percent of their sweet corn, 41 percent of their asparagus, 55 percent of their pears, 75 percent of their

apricots, 50 percent of their peaches, and 40 percent of their apples, but according to the executive director of Behruz Food Industries, for various reasons such as the lack of packaging and canning industries in our country, every year at least 300,000 tons of apples (30 percent of the entire crop), 50 percent of the grapes, and 400,000 to 600,000 tons of citrus fruit (25 percent of the crop) were destroyed.

The production of packaged and canned food in Iran is so insignificant that nothing is left for exports. According to the statistics from Iran Customs, in the period between the years 1367 [21 March 1988-20 March 1989] and 1369 [21 March 1990-20 March 1991] an average of \$7 to \$10 million in packaged food was exported. According to these statistics, 90 percent of Iran's food exports were not packaged.

Thus, with a simple calculation it can be seen that in the area of food industries our country has not had the necessary development and progress at all. In this regard, however, one keep in mind the important point that the level of consumption of packaged food in Iran does not have to be as it is in the West, because basically the tastes of the people in the East and especially Iranians do not resemble or have points in common at all with Westerners.

The people in our society in the rural areas and even in the northernmost points in the cities will not consume packaged foods as long as they are not forced to do so. They prefer to purchase their food fresh and cook it themselves, although these kinds of packaged foods claimed their place in the Western food basket years ago. Despite the difference between the tastes of our people and those of the West with regard to the consumption of packaged and canned foods, it cannot be claimed that the the food packaging and conversion industries in the agricultural sector have grown sufficiently in Iran. Every insider in the food industries gives reasons that are obstacles to the growth of the food and conversion industries in Iran. Some believe that the collection of taxes on export food and also the heavy tariffs on the needed imported machinery and equipment are among the major obstacles to growth in the conversion and food industries. In the same regard it is said that export foods are only 50 percent tax exempt yet export goods are exempt from the payment of all taxes.

On the other hand, a number of insiders in the food industries also consider the import of foreign food, which is sometimes unsanitary and lacking in standards, is also one of the problems in this sector. According to the view of these people, along with the means, which are being made available for food producers and exporters, the paths for importing beverages, chocolates and in general all the foods whose counterparts are produced at higher quality inside the country must be blocked. Of course, this not be done in such a way that the possibility of competition is eliminated and that domestic food

producers, despite having undesirable products, are content and satisfied in a market they dominate and in which there is no competitor.

The shortage of currency in circulation and investment are among the other existing problems of those working in the food industries. As the result of the unification of the foreign exchange rate the price of raw materials and imported machinery has risen sharply and this has caused the currency in circulation to be insufficient to meet the needs of the owners of this industry. Apparently so far the banking system has not supported the food and conversion industries as much as it should either.

Likewise, due to the obstacles in the path of production, investment in our country has always been more in the services and commercial sectors than in the other sectors society needs. For this purpose, and to develop food conversion industries and increase nonoil exports, the commercial banks should grant credit facilities at low profit rates to encourage investors so they will build factories for the packaging and conversion industries in the agricultural sector.

Elsewhere in his talk, Forutan discussed the necessity to activate the Export Guarantee Fund and to coordinate food export and import laws and regulations in a way that is appropriate for the current requirements. He said: The shipping problem is considered another deterrent to the development of food industries, because due to the susceptibility to spoilage for these kinds of materials, they must be moved inside and outside the country in the shortest time possible. However the high cost of shipping, especially via aircraft, on the one hand and on the other hand the lack of the necessary refrigeration at the ports and points of departure, are bringing producers up against increasing problems.

It is also absolutely necessary to create centers for research and study in the food industries sector. By organizing and unifying the research under way in the food industries, wasted time and energy can be prevented to a great extent and this work can gradually become valuable.

Food industries research units can be guided and supported by the government in all the food industries units with the cooperation of food science colleges. If these units are equipped with the necessary tools and if they do not remain uninformed of the research and achievements of other comparable research institutions in the world, they will be able on the one hand effectively to teach and train food industry specialists and technicians and on the other hand to increase the country's ability with regard to food exports and to develop competitiveness on international markets compared to comparable products. In any case the problem of packaging in Iran's food industries is not merely a matter of art, design, attractive packaging, and quality printing. The main problem is the weak technology and lack of advanced equipment in this sector of the industry.



Mehdi Mojahedi, member of the board of directors of the Khorasan Union of Compote and Canned Goods Factories, said that Iran's production of many agricultural crops is much greater than its domestic need. He described the conversion industries as a powerful arm in the agriculture sector. He said: Due to the lack of packaging industries, a large amount of the food produced in Iran goes out of the country without packaging and without authorization via the nation's western, eastern, northern, and southern borders, so that unofficial exports of food are several times greater than the exports done officially adhering to the rules and regulations through points of departure to official markets.

In any case, although during previous years the food and conversion industries sector has been ignored, now the nation's executive officials have realized this industry's importance in answering the needs of domestic consumption and also its role in earning foreign exchange. For this reason, with the decisions that have been made, one may hope that during the Second National Five-Year Social, Economic and Cultural Development Plan, the food and conversion industries will grow and develop more and find their place in society's economic affairs.

According to Dr. Seyyed Mohammad Hoseyni, chief of the Society of Specialists in the Food Industries and Sciences and Majles deputy, 350 billion rials in loans for the development of food industries has been allocated from Note 3 in this year's budget bill.

He discussed the quality of Iran's agricultural crops. He said: Fortunately, due to the high quality of its agricultural crops, Iran always has the potential of producing large amounts of food exports. For example, Iran already has regular customers in advanced countries such as Germany, Switzerland, England and a few other countries for its pistachios, canned goods (tomato paste, pickles, tuna fish, and other things), mayonnaise, and various kinds of dried fruits, despite the fact that it is very difficult to compete in these markets and all food exporters are making efforts to establish themselves in the European markets.

With all this, our country still must seek to find new markets throughout the world and especially in the Islamic nations and in the region and it must obtain its appropriate and rightful share of the world economy. To keep from falling behind our competitors on world markets, we must give more importance to research, and along with that we must not neglect to equip and rebuild the machinery in our producing units to create variety and innovation in packaging.

Dr. Hoseyni, chief of the Food Sciences University, proposes in this respect that with regard to the food industries, the training of technicians and the research it does, our country should be in continuous contact with countries like England, Switzerland, Holland, Denmark, Italy, France, and Japan, which have made significant progress in the food industries. He called upon Iranian

food industries specialists living outside the country to correspond with the Society of Food Sciences and Industries Specialists, to participate in the relevant congresses and seminars having to do with food inside the country and to make their findings available to the food industries and those working in it.

Along with the efforts the government and the public are making to develop food industries, one must not forget one very important point and that is that the food industries in every region of the country must be appropriate for that region's potential, because otherwise the costs of moving agricultural crops will be very high.

As was said, in some of the nation's fruitful provinces the food industries are a suitable basis for development and growth. In view of the fact that each agricultural crop is harvested at a specific time of the year, the necessary proportion must be created between the size of food crops and the conversion industries.

In a province like Khorasan with its relatively vast size, some agricultural crops, orchard produce and summer vegetables are produced in abundance and in superb quality. For this reason the development of the conversion industries in such provinces must never be overlooked.

According to Mehdi Mojahedi, member of the board of directors of the Khorasan Union of Compote and Canned Goods Factories, in this province there are already 55 major units producing compote and canned goods, 10 of which have been recently established, and all of which have the governor-general's approval. Although the production of some agricultural and farm crops in some provinces is much greater than the provinces themselves need, one must realize that a number of regions in our country, due to their geographic position, do not have the ability to produce significant agricultural crops.

In some population centers like Tehran, the people are strictly consumers and with the exception of a few farms on the outskirts, there is effectively no particular crop produced in this province. Therefore it is necessary to make maximum use of the producing capacity of the various provinces, raise the profitability of agricultural lands, make use of agricultural and orchard machinery and to the extent possible to consolidate lands to increase returns.

Shahrokh Zahiri, executive director of a major food industry unit, which has been active in this area for almost two decades, emphasized the need to make use of skilled and expert manpower in this sector of industry. He said: Food producers must have knowledge of this work in order to produce the ideal product and at the same time they must prevent the negative propaganda against domestic food industries.

At the same time, to the extent possible, domestically made machinery must be used to develop and equip the food industries, so that while creating the resources for

the growth of industry, the departure of foreign exchange will be prevented. Behruz Forutan, a member of the board of directors of the Iran Food Industries and Sciences Society, noted in this regard that so far various experts from Asian and European countries have visited the Iran Food Industries factories at this society's invitation, and have been impressed by the positive performance of the machinery made in Iran.

He believes that we must have a national motivation for the work we do, leave the "nonrenewable mines" for future generations and to make maximum use of renewable resources such as the agricultural sector, fisheries and manpower, which can neither be renewed nor preserved for future generations.

Forutan added that it is very important to package food for domestic and foreign consumption, because every consumer item such as food, carpets, cloth, canned goods, and other things must attract the eye of the consumer and get his attention.

Iran's geographic and strategic position and our country's position on the globe, which is about the same distance from both East and West and has numerous Muslim nations as neighbors, confers a valuable privilege on those who live in this land. Forutan, a member of the board of directors of the Iran Food Industries and Sciences Society, noted that shared religious affiliations, ease of access to the region's markets and similar tastes are among the factors that give Iranian products special distinction in the markets of the Islamic nations, and all of these factors can be used to develop exports and earn foreign exchange.

Mohammad Ashkuri, formerly executive director of the "One and One" Food Production Factory is active even now in the production, installation, and start up of food machinery and equipment. He assessed Iran's existing technical potential. He said: Iranian technical experts in the manufacture and installation of machinery to produce food products have grown to the point that sometimes they can take complicated foreign or domestically made machinery and install it in other countries.

He emphasized the need to use God-given and natural blessings such as the varying climates in the different regions of Iran. He said: With the exception of the nation's northern regions, in the rest of the provinces we have sunny weather about 300 days out of the year, and we must not overlook the situation that few countries enjoy other than ours, which is that the average production of various kinds of fruit in Iran is greater than the established international per-capita level.

He emphasized that more than 84 percent of the raw materials needed by the food industries are produced in the agricultural sector. For this reason, Iran's food industries should be supervised by the Ministry of Agriculture, and the other ministries should be active in relation to this sector solely in construction and industry affairs.

Continuing his remarks, Ashkuri said that to the extent we are able we should build the machinery needed by the food and conversion industries inside the country, but if we cannot we must import some of them, because no country in the world can produce all the equipment it needs on its own.

However, what has not been discussed very much up until now is how to revitalize and make better use of the traditional methods of preserving and keeping food in Iran.

Iranians have long had various methods for keeping vegetables, fruit, and even dairy products and meat, some of which cost very little and have also passed the test in terms of hygiene. Those working in the country's food industries should not completely promote Western methods of keeping food. They should also do research and study on traditional methods of keeping food in Iran, and they should make changes in the traditional ways of drying vegetables, seeds and grains, because by drying some fruits and vegetables, not only are their special characteristics not diminished, but also sometimes with the actions and reactions that take place, the amount of vitamins in these kinds of crops sometimes even increases.

Therefore, even if it is necessary to develop the conversion industries to reach export food markets, we should not plan for the people inside the country in the same way as for foreign markets and put products on the domestic markets that are suitable for the tastes of others.

The final point is that some export goods such as saffron, licorice, henna, and other things, although apparently slight in volume, command a very high international price, higher than the price of the products and crops that are made from these products. For this reason, now that the world's most desirable saffron is produced in our country, we can also produce the subsequent products that are made using these raw materials and sell them on the international markets with very high added value.

#### 'Adeli's Statement on Peace With Iraq Called False

94LA0157A London AL-SHARQ AL-AWSAT in Arabic  
23 Apr 94 p 7

[Article by Amin Tahiri]

[Text] "Iran and Iraq have signed a peace treaty." This interesting news was announced at an economic conference held in Manama, Bahrain earlier this month by the governor of the Central Bank of Iran, Mohammed Hoseyn 'Adeli.

However, no sooner had the typewriter begun to record this news when more informed sources in Tehran denied the report and described it as "completely devoid of veracity."

One source said, "The governor does not follow foreign policy." Perhaps he imagines that Iran actually signed a peace treaty with Iraq.

The matter was quickly forgotten. Undoubtedly, 'Adeli, a technocrat with little experience in political matters, had committed an innocent stupidity.

The issue of the future of Iranian-Iraqi relations is always present on the rare occasions when Iranian foreign policy options are discussed in a balanced mood, far from provocative slogans.

Iranian political experts agree that the establishment of a firm foundation for relations with Iraq is still one of Iran's most important priorities, inasmuch as the two neighboring states have been holding talks for more than five years since agreeing to a UN-sponsored cease-fire. They have also achieved a better understanding of each other's positions through a number of high-level contacts. Moreover, if the news coming from Tehran is correct, Iranian Foreign Minister 'Ali Akbar Velayati will soon head an official delegation to Baghdad, the "first" of its kind since the mullahs took power in Iran in 1979.

The idea of an attempt to improve relations with Iraq has been gaining force in Tehran for a number of reasons: The main reason is that the pragmatic wing in President Rafsanjani's leadership has lost much of its influence over formulating foreign policy. Rafsanjani wanted to bring revolutionary Iran closer to moderate forces in the region by establishing strong relations with Western Europe and Japan. A normalization with the United States is still his medium-term goal.

However, this strategy has failed because potential foreign partners of Iran have refused to do anything to help strengthen Rafsanjani's position in Tehran. The general idea abroad is that if the mullahs are conciliatory, it is because they are weak and they should therefore not be helped to gain new power. There is also a strong conviction that the mullahs have not abandoned their long-range dream of exporting the revolution and establishing an empire in the name of the Khomeyniist ideology.

Thus, Iran has failed to convince the outside world that it no longer wants to behave on the basis of an aggressive, expansionist ideology. Hence, the general hesitation to develop more than a certain modicum of relations with Iran.

The star of the radical elements in the rightwing leadership of 'Ali Khamene'i, the supreme leader in Tehran, has risen again. These elements are advocating a new foreign policy course. They maintain that the failure of the normalization policy requires Iran to seek new friends and partners to break its current isolation.

Velayati's recent tour of black Africa and several formerly communist states in Europe was a part of this new effort. Political circles in Tehran have also begun to renew the idea of transforming the dormant Nonaligned Movement into a "pole" in global politics. Accordingly, Iran's behind-the-scenes relations with Serbia, the special relations that have developed between Iran and Ion Iliescu's new communist government in Romania, and Iran's increasingly close relations with North Korea are all part of a new strategy.

Regarding the region itself, the weakening of the Gulf Cooperation Council [GCC] continues to be a priority for Tehran, which has always considered the GCC a part of the effort to weaken Iran.

Such weakening is effected in part by encouraging "disturbances" in the politics of several GCC countries—e.g., Oman and Qatar—and by strongly wooing Kuwait, especially by constantly pointing to the inevitable Iraqi danger.

Outside of the Gulf region, Iran has escalated its efforts to expand its influence in Yemen and to build new bridges with Jordan. The desire to woo the Hashemite Kingdom of Jordan has been so strong that the Iranian Embassy in Jordan actually heaped praise on King Husayn after Jordan expelled 22 [Iranian] diplomats from Amman. Relations with Sudan, on the other hand, have become relatively tepid. This is attributed in part to Tehran's abhorrence of Hasan al-Turabi's desire to promote himself as the leader of the fundamentalist movement instead of Khamene'i.

Iran's relations with Syria have also become tepid, because Tehran believes that Syria has now certainly joined the "American camp."

Thus, the dream of Baghdad-Tehran axis now appears more attractive than at any time in the past. However, the establishment of such an axis is more easily said than done, because both countries must first settle their bilateral conflicts. Moreover, many in Tehran are convinced that President Saddam Husayn's regime may not last beyond the end of this year, and Baghdad, for its part, knows that any axis with Tehran would dash all of its hopes for the lifting of the sanctions imposed on it and for its return to international society.

In other words, the mullahs cannot achieve any strategic objective by establishing a firm alliance with Iraq as long as Saddam is in power. At the same time, Iraq cannot look to Iran as a strong partner that can fill the vacuum created by the loss of its relations with the moderate Arab countries and the [West].

Thus, Iranian-Iraqi relations are likely to continue to be uneven for a period that is certain to continue until the two countries adopt new policies, perhaps under the auspices of new leaders. Therefore, it is certain that 'Adeli's announcement of a peace treaty was premature.



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